

SOUTH AFRICAN  
INSTITUTE OF  
RACE RELATIONS

UPDATE

Ju 91

Social and Economic Update 16  
July 1991

by

Research Staff  
South African Institute of Race Relations

Â® Some 16,3m people in South Africa live below the poverty line, ie earn less than R600 per family per month

Â® About 31% of South Africa's labour force are unemployed or work in the informal sector

Â® Only 2,2% of managers in South Africa's top 100 companies are black

Â® 82% of small businesses in South Africa are successful, as opposed to 45% worldwide

@ From April to November 1990, the Small Business Development Corporation grants loans of R193m to 2 934 small businesses, generating 21 891 new job opportunities

Â® The number of unqualified black teachers at primary schools is reduced from 63% in 1985 to 36% in 1991

Â® By February 1991, more than 5 000 black pupils are attending 205 white schools

Â® Only 36% of African pupils pass standard 10 examinations in 1990, while 79% of coloured

~ Â® Some 4m homes, catering for two thirds of the population, are without electricity

Â® Of 271 African townships outside the homelands, only seven are fully supplied with electricity, while 41 have no electricity at all

Â® The cost of electrifying all homes in South Africa is R14bn

cost of health care

â\200\224 pupils, and 95% of Indian and white pupils do so

Â® Value-added tax may add R410m a year to the

#### KEY POINTS

Â® There may be 12,1m people in South Africa in the year 2000 with the human immuno-deficiency virus (HIV), and 4,4m may have died of AIDS by then

Â® AIDS could cost South Africa between R14,5bn and R32,5bn in the year 2000

Â® It will cost R6bn to establish equal pensions for all races at white levels

e The shortage of housing in South Africa is estimated at between 1,1m and 3,4m units

o In 1990, 40 464 houses are built for Africans outside the homelands, 76% by the private sector

Â® In March 1991, R1,15bn is owed to African local authorities in unpaid rents and service charges

e Funds available for low-income housing expenditure increase by 48% between 1990/91 and 1991/92, to reach R2,71bn

Â® The cost of transferring 25% of the land earmarked by the government for traditional homeland consolidation to African farmers is between R11bn and R25bn

e Of 13m African subsistence farmers there are 3 000 farming full-time on a commercial basis

Â® Putco, which carried 323m passengers in 1984/85, carries only 143m in 1989/90

e 11 people die in taxi accidents for every 100m kilometres travelled compared to five for passenger cars

Â® The cost of redressing the water and sanitation backlog for all houses is R16,46bn

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## OVERVIEW

The Vatcom Report released early in 1991 drew attention to the extent of poverty in South Africa. Some 16,3m people in the country live below minimum living levels, while 2,3m suffer from malnutrition. However, the government has established a working group to examine ways of combating poverty, and in its 1991/92 budget it allocated R220m for special relief programmes.

The government's commitment to education is shown by the building of 717 new classrooms for African pupils countrywide in 1990/91. By February 1991 it had also permitted more than 5 000 black pupils to enrol at white schools, the majority of these being in the Cape.

Continuing problems in the African education system were highlighted by the 1990 matriculation results. While only 36% of African pupils passed their standard 10 examinations, the comparable figure for coloured pupils was 79%, and 95% for Indian and white pupils. Only 8% of African students qualified for entrance to universities, while 41% of whites did so.

An estimated 4m homes, housing two thirds of the population, are without electricity. It would cost R14bn, or R700m a year for two decades, to electrify all households in the country. An obstacle to the achievement of this goal is the fact that 70% of South African households live in areas outside Eskom's distribution network.

Orange Farm, south of Johannesburg, has become the first site-and-service scheme on the Reef to be supplied with electricity by means of card-operated electricity boxes. The scheme has already been successfully implemented in three informal settlements and a township.

AIDS has clearly become a threat to a far larger part of the population than was previously the case. If the number of cases continues to double every nine months, 4,9m people in South Africa may have died of the disease by the year 2000, and 12,1m people may be infected with HIV.

There has been limited success in opening hospitals to all races although government policy is ambiguous in that it allows each hospital superintendent to make decisions about the admission of blacks to his or her hospital. Funds have been allocated for the building of three new hospitals, bringing to an end a moratorium imposed in 1990 on the construction of new facilities.

Pension increases announced in the 1991/92 budget have narrowed the gap between different races still further, and for the first time equal old-age pensions are to be paid to Africans in all ten homelands and the white-designated area.

More than 40 000 houses were built for Africans outside the homelands in 1990. However, the 1991/92

housing budget, together with the R750m two-year housing initiative announced by the Independent Development Trust, should give more than 90 000 families access to housing or serviced sites during the 1991/92 financial year. This still falls short of the 174 000 housing units a year which, according to the Urban Foundation, need to be built for the next 20 years in order to eliminate the housing backlog and house new families.

The amount available for expenditure on low-income housing nevertheless shows the commitment of the government and the private sector to housing provision. Between 1990/91 and 1991/92 the amount increased by 48%, to R2,71bn. More than R1bn of this sum is expected from the private sector, an increase of 123% over its contribution for the previous year.

Three major new schemes for financing housing are expected to make housing more accessible to those with low incomes. The Independent Development Trust will make one-off grants of R7 500 each to 100 000 first-time owners over the next two years, to buy serviced sites. The Perm has announced an unconventional home finance scheme, which gives homebuyers 100% finance for purchase in return for a fixed proportion of the buyer's earnings for 20 years. The Old Mutual and Urban Foundation Housing Scheme enables members of pension or provident funds to use their contributions to finance their own housing. Members repay such loans in a way which does not reduce their retirement benefits.

What proportion of the national housing budget will in fact be spent on housing remains to be seen. In 1990/91, some 65% of the African housing budget was allocated as bridging finance to cash-strapped African local authorities partly as a result of the rent and services boycotts. The resolution of the boycotts will be crucial for housing delivery in 1991.

In its White Paper on Land Reform, published in March 1991, the government made clear its commitment to making land rights throughout the country accessible to all races. Two of five items of legislation proposed in the white paper have subsequently been passed. The Abolition of Racially Based Land Measures Act repeals all measures regulating land ownership according to race. The Upgrading of Land Tenure Rights Act allows for the upgrading of inferior land tenure in urban areas to freehold.

A problem in the provision of water and sanitation to all households in South Africa is that there is a multiplicity of authorities involved in such provision, and there is no single co-ordinating strategy. As many as 951 000 rural households may have an inadequate water supply, and 1 427 000 lack proper sanitation. Providing a minimum level of service to all homes could cost R4,8bn.



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## 1. BUSINESS AND EMPLOYMENT

### POVERTY AND UNEMPLOYMENT

The Vatcom Report released early in 1991 provided the first official estimates of the extent of poverty in this country. According to the report, 16,3m people in South Africa and the 'independent' homelands live below minimum living levels. Of these, 2,3m are in dire need of nutritional support to combat the effects of malnutrition. Although minimum living levels differ depending on region and family circumstances, the Vatcom Report states that on average a minimum level amounts to R600 per family per month.' The government has established a working group to identify and examine various ways of overcoming poverty. Included in its scope will be an examination of the effects on the needy of the introduction of Value Added Tax on foodstuffs. In the 1991/92 budget R220m was allocated to special relief programmes. Increases of approximately 20% in average minimum wages for workers every six months from July 1987 to December 1989 may be offset by rising unemployment and hardship among those excluded from education and employment opportunities, particularly in the independent homelands.\*

In a recent survey conducted by the Stellenbosch Bureau for Economic Research, it was found that about 31% of South Africa's labour force were either unemployed or working in the informal sector. The governor of the South African Reserve Bank, Dr Chris Stals, said that unemployment had almost doubled between January 1989 and October 1990. The figure for registered unemployed in November 1990 was 226 028.

Since July 1990, a new method has been introduced to derive unemployment figures. Whereas in the past, the Department of Manpower derived the figures only from the placement register, now information from the Unemployment Insurance Fund is also being used.

### ADVANCEMENT AND TRAINING

A study by the School of Business Leadership of the University of South Africa, revealed that only 2,2% of managers and less than 1% of senior managers in South Africa's top 100 companies were Africans. Coloured people and Indians comprised 2,6% and 3,3% of management respectively. One way of meeting the challenge is through affirmative action, according to the executive director of the Black Chartered Accountants of South Africa, Mr Mashudu Ramano. However, Mr Leon Louw, of the Free Market Foundation, believes that this will only entrench racial prejudice and negate the strides that blacks have already made in the management arena.

Because the number of job seekers escalates every year without a concomitant rise in jobs available, the Small Business Development Corporation (SBDC) has established a project aimed at fostering a spirit of entrepreneurship among schoolchildren. This is aimed

at countering joblessness and stimulating small private enterprise. In 1990, 520 schools, encompassing over 40 000 children, were involved in the project. Corporate Social Responsibility (CSR) programmes are also



placing greater emphasis on training. In recent years spending on CSR has increased dramatically. In a survey published in the February 1991 edition of the Innes Labour Brief, it was found that companies had invested approximately R800m in CSR in 1990 compared to 1982 when only R100m of after-tax income had been targeted for CSR. In 1988 R600m had been allocated to CSR." Although all the companies included in the survey did not disclose the exact allocation of the amounts, education seemed to enjoy priority in corporate social investment within the broader society."

Twenty three small businesses in the informal sector graduated from the Private Sector Counselling Organisation (PRISCO) in 1990, as part of the Economic Advancement Programme of the Urban Foundation, which focuses on counselling new businesses both in the informal and formal sectors. The aim of PRISCO is to assist small enterprises to become viable businesses in the modern economy. '?

Replying to a question in Parliament earlier this year, the late Dr Wim de Villiers, minister of administration and economic co-ordination, said that the "South African civil service was firmly in white hands. All the top positions (salaries over R165 000 annually) were held by whites." In September 1990, 1 662 355 people were employed by the public sector. Of these, 1 068 491 (64%) were blacks. Although the average salaries and wages per month at current prices were higher than during the same period in 1989, approximately 237 000 Africans (14,3%) received average salaries or wages below R1 000. Average monthly salaries and wages among Africans in the public sector amounted to R1 212, a 27,7% increase over the same period in 1989. The average salary increase among whites was approximately 20%."

## BUSINESS

The formal small business sector

According to the SBDC, small businesses in South Africa have a much higher success rate than small businesses in the rest of the world. Mr Sonny Tarr, general manager of the SBDC, said that 82% of small businesses in South Africa were successful as opposed to 45% worldwide. Apart from comparing favourably with the rest of the world, the formal small business sector in South Africa, excluding the "independent" homelands, contributes 26% towards GDP, generates 75% of all new jobs and is responsible for 38% of all existing employment opportunities. Out of the 1,4m to 1,6m business enterprises, approximately 75% were small businesses.'®

## National Manpower Commission Report on Microbusiness

The National Manpower Commission's working document on microbusinesses, released in late 1990, seeks to free small enterprises from constricting bureaucratic regulations and labour legislation. According to the working document, a microbusiness has the following features:

• it is managed and controlled by a natural person who is also its owner;

• it employs no more than ten permanent or full-time employees;

• its annual turnover is less than R250 000; and  
• the business is an independent economic unit.

It hopes in this way to encourage entrepreneurship and hence job creation and growth. The report recommends that exemptions from labour legislation should be made more accessible to microbusinesses. The system of applying for exemptions should become more simplified and streamlined and the Department of Manpower should appoint a senior official as a facilitator for microbusinesses. The working document argues that it is the small business that creates job opportunities rather than the large monopolies which are capital intensive. Support for small businesses would allow more blacks to become economically active.

### Finance

The current economic downturn has not significantly deterred the expansion of small businesses. From April 1990 to November 1990, the SBDC granted loans of R192,5m to 2 934 small businesses. This led to the creation of 21 891 new job opportunities. This compares favourably with the financial year ended 31 March 1990 for which the total amount of loans approved was R197,5m.

In what could open the way for greater foreign investment in the future, Robert Bosch has become the first subsidiary of a German multinational to acquire shares and invest in a joint venture with the SBDC. The investment of R70 000 will be used to establish a pilot project to develop black entrepreneurs who wish to set up outlets to sell and service power tools. It will also fund a customer-care programme for the SBDC. Mr Derek Dreyer, marketing director of Robert Bosch, emphasised that this initial project would form the basis for greater expansion later on. As electrification and other community facilities in the townships improve, more opportunities for the black entrepreneur will become available.

In an interview with Leadership magazine, the executive director of the KwaZulu Finance and Investment Corporation (KFC), Dr Marius Spies, stated that the biggest inhibition to growth in black entrepreneurial activities was access to finance rather than the cost of finance. The KFC is actively providing assistance in that regard in the KwaZulu area. It is now also trying to assist black businessmen to establish themselves in the central business districts of Durban, Pietermaritzburg and

Pinetown. A loan facility by the Development Bank of Southern Africa of R32m will be invested over the next two years in small business development.??

A new African-owned insurance brokerage was launched in November 1990 with the aim of creating financial resources that would cater solely for the black market. XB Brokers offers a wide range of insurance and financial services but places special emphasis on the needs of the disadvantaged community. Mr Moss Nxumalo, its executive chairman, sees this move as a step towards real financial independence which he believes is just as important as political independence.??Â® An alternative means of access to capital for black entrepreneurs may be through the stokvel system which was used by African taxi owners and Wesbank in 1983 to launch the Southern Africa Black Taxi Association. The Reserve Bank has embarked on a study of the stokvel system. It apparently sees the stokvel system as a means of encouraging domestic savings and providing finance for the informal sector. According to Mr K H Lukhele, author of Stokvels in South Africa, around 680 000 Africans, a quarter of the total African adult urban population, are involved in stokvels.??\*

#### African Bank

To facilitate the future expansion of the African Bank, it will be issuing ordinary shares to members of other race groups. However, this will be limited so as to ensure that control of the bank remains in black hands. As part of its expansion drive the African Bank has opened mini-branches in Durban, Nelspruit, Queenstown and Tzaneen. A branch in Bisho will be opened during 1991. African Bank Insurance Brokers, a wholly-owned subsidiary of the African Bank, recently introduced a comprehensive motor policy for minibus taxi owners. This policy provides, inter alia, income to the owner during the period that his vehicle may not be operational as a result of an accident. In its financial year ended 30 September 1990, the bank's consolidated net income after tax was just over R1bn as compared to R719m in 1989, an increase of 40%. Deposits and savings increased by R47m from R158m in 1989 to R205m in 1990.25

e Elizabeth Sidiropoulos

## 2. EDUCATION

### BUILDING BACKLOGS

The minister of national education and of environment affairs, Mr Louis Pienaar, has suggested that 325 schools a year would have to be built at a cost of R650m a year, to accommodate the annual growth rate in pupil numbers of 0,55% in white schools, 5% in Department of Education and Training (DET) schools and almost 7% in schools in the non-independent homelands."

The minister of education and training, Dr CJ van der Merwe, said an extra R150m, announced in the 1990/91 budget, to address backlogs in education has been spent. Of this, R74m had been allocated to the DET, while R76m had been granted to the non-independent homelands. These funds were used to build 717 classrooms for African pupils countrywide â\200\224 an average of about R21 000 per classroom.?

Of the governmentâ\200\231s R1bn fund, established in addition to the R2bn now administered by the Independent Development Trust, the DET and the six non-independent homelands received almost R676m, R150m of which would be spent during 1991 to reduce backlogs in school buildings (and for the purchase of textbooks)?

### BUDGETS

The education budgets for seven homelands, for which data are available, increased on average by almost 20% between the financial years 1989/90 and 1990/91:\*

Education expenditure in homelands: 1989/90

and 1990/91

Homeland 1989/90 1990/91 increase

Bophuthatswana ~ 445 246 506 100 14%

Ciskei 216 822 246 913 14%

Gazankulu 237 073 283 956 20%

KaNgwane 128 977 151 951 18%

KwaNdebele 80 091 98 920 24%

KwaZulu 128 977 151 951 18%

Lebowa 568 337 720 966 27%

### TEACHERS

According to Dr Van der Merwe the number of unqualified black teachers in primary schools has been reduced from 63% in 1985 to 36% in 1991. In secondary schools, the number of fully qualified teachers has increased from 80% to 92% over the same period.â\200\231 The government intends changing the minimum ratio of teachers to pupils from the existing one teacher to 17 pupils in white schools and one teacher to 40 pupils in

African schools, to a standard ratio of one to 30 in all schools, according to Mr Pienaar.Â®

According to Mr Roger Burrows MP (Democratic Party (DP), Pinetown) this change in the teacher/pupil ratio could result in the countrywide retrenchment of up to 20 000 white teachers, out of a total of 55 000 teachers.â\200\235 Recently, it was revealed by the Natal Education Department that plans were afoot to retrench 21 000 white teachers in the next three years â\200\224 the retrench-

ment of 2 171 in Natal and approximately 5 500 in the Cape has already occurred. A DP proposal to minimise the effects of the retrenchment and to improve the availability of classrooms to black pupils would be for the government to utilise up to 250 000 vacant places in white schools for black pupils. This could lead to the retention of almost 8 000 of the 21 000 surplus teachers if the white teachers were willing to teach in black schools.Â®

#### DESEGREGATION

Of a total of 221 white schools which had voted to change their status to allow for the admission of black pupils, 54% had not obtained the required 80% majority, according to the minister of education and culture in the House of Assembly, Mr P J Clase.Â\200\231

Most of those schools (about 214) which opted to admit black pupils have done so in terms of model B. Of the seven schools which failed to achieve the required majority on the basis of model B, four were in any case given permission to admit black pupils.'Â® Model B allows parents to determine their own admissions policy, without provision being made for additional facilities, transport or accommodation.Â\200\231

By early February 1991, over 5 000 black pupils were attending 205 white schools." A large proportion of the pupils enrolled were in the Cape Province, where 3 379 black, coloured and Indian pupils had enrolled at 107 previously white schools.Â\200\231 In Natal the number of black pupils enrolled at white schools was 1 060, whereas in the Transvaal there were 500." In the Port Elizabeth/Uitenhage area, about 200 black pupils were enrolled at white schools."

#### STANDARD 10 EXAMINATION RESULTS

The results of African candidates (before supplementary examinations) in 1990 were similar to results gained in 1989, a mere 36% of pupils passing the examination. In 1989, the pass rate was 35%.'Â® This compared unfavourably to the white and Indian pass rates of 95%, and a pass rate of 79% among coloured pupils.'Â\200\235 (See table below for a detailed comparison of standard 10 examination results for 1989 and 1990.)

Standard 10 examination results: 1989 and 1990

1989 1990

Candidates Pass Matric Candidates Pass Matric

African 209 319 87 510 (42%) 21 357 (10%) 251 411 89 746 (36%) 19 897 (8%)

Coloured 22 666 16 475 (73%) 4044 (18%) 22313 17721 (79%) 4 487 (20%)

Indian 14 191 13 282 (94%) 58890 (41%) 14 542 13 816 (95%) 6 615 (45%)

White 70 666 67 825 (96%) 29933 (42%) 68 968 65 501 (95%) 28 608 (41%)

Supplementary examination results

The table above excludes the results of the supplementary examinations. These DET school examinations resulted in a further 9 915 pupils passing their 1990 stan-

dard 10 examination, bringing the success rate to approximately 40% from an initial pass rate of 36%, wherein 89 746 pupils passed out of a total of 251 411 candidates.'

Standard 10 DET examination results 1990: mathematics and physical science

Number of

Candidates 200 230 231 passes

Mathematics (HG) 8538 1S

Physical Science (HG) 7107 2

Total number % of Total number %  
of passes passes failed failed

1485 19 7 053 83

2744 39 4363 61

e Joe Kelly

### 3. ENERGY

Although Eskom produces 60% of all electricity generated in Africa, 70% of South African households live in areas outside its distribution network. More than 12m South Africans rely on fuelwood as their primary energy source. They consume 7,2m cubic metres of wood each year. KwaZulu households alone account for 2,8m cubic metres of this.

It would cost R14bn, or R700m a year over two decades, to electrify all homes in South Africa, according to research sponsored by Eskom and the National Energy Council (NEC). The research found that an estimated 4m homes, catering for two thirds of the population, were without electricity. A programme aimed at complete electrification within 20 years, including provision for population growth, would have to supply 350 000 new households a year at an annual cost of R700m, the report said. Rural projects would be more expensive because of low population densities. However, urban electrification projects would pay for themselves over a period of time, and electrification for all would create some 50 000 new jobs.

The minister of planning and provincial affairs, Mr Hernus Kriel, said in March 1991 that of the 271 African townships outside the homelands, only seven townships were fully supplied with electricity, while 41 had no electricity at all. Twenty five of these 41 were in the Cape Province. In the Transvaal, Mr Kriel said, no township was completely without electricity, but 19 had

only 22% of houses supplied, five had only 25% of houses supplied, and 28 had only 28% of houses supplied.Â®

Eskom aims to provide 80% of the South African population with electricity by the turn of the century. It launched an "electricity for all" campaign in August 1987. However, the NEC rather than use Eskom's slogan "electricity for all" changed theirs to "energy for all" in 1990, because it recognised that Eskom's vision of an all-encompassing electricity network for the country was "ideal, but not affordable", according to the NEC's acting chief executive, Mr Robert Scott. He said that Eskom's plans for a sub-continental power grid were a "utopian dream". While the use of fuelwood in rural areas had lead to deforestation, wood still constituted 13% of South Africa's net energy consumption, he said. The use of paraffin, wood, diesel and solar power in areas far from the electricity grid proved more cost effective than tapping the electricity supply.

The NEC and Eskom were involved in programmes to investigate alternative energy forms such as solar power, micro-hydroelectric schemes and diesel. The NEC's chief energy specialist, Mr Reinhold Viljoen, said that hybrid alternative energy sources were the most sensible way of meeting the energy demands of the vast rural areas. While the average unit cost of electricity in urban areas was between 12c and 16c, many people in rural areas lived at least 20km from the Eskom grid.

A distance of 2km or more from the grid means that users have to pay for a line to bring in their electricity, vastly increasing the unit cost of their supply. Other energy options then become viable. The unit cost of solar energy is constant at R1,50 per kW/h. Diesel generators cost between R2 to R3,50 per kW/h if used for less than five or six hours a day, but became increasingly cost effective with greater daily use. Mr Viljoen added, however, that the installation of solar, wind and diesel generators could be expensive.

Dr Izak Kotze, manager of the NEC's Energy for Development division, said that the ministry of energy affairs had instructed his department to plan an extensive solar demonstration programme aimed at encouraging solar power, particularly in rural areas.

Eskom receives no state subsidies. Eskom's chief executive, Dr Ian McRae, argues that there is a need for subsidies. 'We must stop being so sensitive about them. We need them. They are in the interest of all.' Eskom identifies possible funding sources as direct funds from government where capital is needed, loans from Regional Services Councils (RSCs) and the Development Bank of Southern Africa, and loans to Eskom and local councils from the capital market and international agencies such as the World Bank.

A problem facing electricity distribution in South Africa is the fragmented supply structures. Some 1 000 local authorities in South Africa distribute electricity. About half of them obtain electricity in bulk from Eskom and pass it on to residents. Others purchase electricity from neighbouring white councils. Each has its own tariff system, a disparity which has been notable in services boycotts in the townships. Eskom can sell electricity to municipalities on request, but not directly to consumers. Eskom believes that the electricity industry should supply the larger metropolitan distributors, such as RSC-type structures or even larger entities such as Eskom's existing 12 regions and 54 districts.

In November 1990, Dr McRae said that Eskom had developed a blueprint to restructure South Africa's entire electricity supply industry and that the government had responded favourably to a proposal to this effect. The minister of mineral and energy affairs commissioned the NEC to study the recommendations and to come up with a proposal. Dr McRae said that black local authorities were unable to provide viable services: not only were they without the requisite expertise and infrastructure, but they were also not acceptable to the communities they served. He believed that the creation of umbrella authorities to control the

supply of important services would eliminate many grounds for dissatisfaction. Dr McRae added, 'Electricity has become politicised in these areas, with the result that people have negative attitudes towards electricity and to the people in the electricity business. In such a climate, we cannot extend electricity to the rural areas, which means no economic growth.'

In 1990 Eskom approached the government to investigate parity in the setting of municipal tariffs for electricity. Eskom was also investigating ways of helping local authorities to distribute electricity more cheaply.



It was working on a pay before you use schemes to avoid controversy about metering and late payment of bills.®

Trade unions organising Eskom workers contend that it should be Eskom's responsibility to install distribution infrastructure and wire houses, and not that of cash-strapped local authorities affected by rent and service boycotts. This would create employment for Eskom workers who otherwise would be made redundant. Single cities bringing black and white municipalities under one authority could assist in making electricity in black areas cheaper than at present as industry indirectly subsidises residential electricity supply, but it is claimed that this benefits only white areas."

In December 1990 Orange Farm, 35 km south of Johannesburg, became the first site-and-service scheme in the PWV to be supplied with electricity under a pilot scheme, part of a plan called Vision 2000. Card-operated electricity boxes were installed in 1 000 homes. (The settlement houses 12 000 households.) Families pay a R300 refundable deposit for their meter boxes and buy electricity cards (costing between R2 and R500, depending on how much electricity they can afford) which they put into their boxes to switch on power. Eskom said that a R10 card was sufficient to light a four-roomed house for two weeks." The scheme has also been implemented in a number of other places including informal settlements at Elandskraal (central Transvaal), Peacetown (Ladysmith) and Ndwedwe (KwaZulu). It has been used as part of a joint venture in the electrification of KwaNobuhle township (Uitenhage). It consists of a ready-board of sockets to use with plugs and extension cords with a built-in safety switch. ' Eskom has ordered 30 000 prepayment meters in contracts worth about R15m. Market projections indicated that 1m meters would be needed over the next five years. Some 50 000 were supplied in 1990, and national demand in 1991 was expected to reach more than 100 000.

e Colleen McCaul

#### 4. HEALTH AND WELFARE

##### HEALTH

##### Finance

##### Homeland budgets

Expenditure on health in the homelands in the 1989/90 and 1990/91 financial years was as follows:

Homelands health budgets: 1989/90 and

1990/91

1989/90 1990/91 Change

R R

Bophuthatswana 160498 178 174839630 9%

Ciskei 138935000 158863000 14%

Gazankulu 87214100 88365 200 1%

KaNgwane 43195465 49736656 15%

KwaNdebele 8923 000 8314000 -7%

KwaZulu 292711894 345656493 18%

Lebowa 153645463 157034197 2%

QwaQwa 30660000 30450000 -1%

Transkei N/A N/A

Venda N/A N/A

N/A â\200\224 not available

##### Provincial budgets

The administrator of the Cape province, Mr Kobus Meiring, revealed in March 1991 that the province faced a deficit of R50m in the current financial year (1991/92) and a further R200m in the next. He ordered a range of cost-cutting measures, including:?

Â® suspending all non-emergency services provided by provincial hospitals;

e curtailing out-patient visits to specialist and academic hospitals, and where possible limiting out-patient treatment to emergency cases;

e discontinuing out-patient transport between rural local authorities and city hospitals;

Â® stopping the supply of medicines to old-age homes;

Â® suspending the visits of medical specialists to rural areas; and

e freezing vacant staff posts.

The director general of hospital and health services in the Cape Provincial Administration (CPA), Dr George Watermeyer, declared that the CPA had to reconsider its treatment of private patients at its institutions, especially where alternative facilities were available in the private sector. He pointed out that the prime responsibility of the state health service was to provide a service to the 80% of the population who were dependent on the state or poor (these are mainly black people).Â®

However, the Cape cuts in expenditure were seen as likely to affect black patients most severely, as they were

least able to fall back on medical aid schemes and to pay for private health care. The Faculty of Medicine at the University of Cape Town said that the cuts would cause extensive harm to a wide spectrum of patients, especially the poor and elderly, for whom primary and community health care facilities are already inferior and overburdened... We object to the simplistic and arbitrary solutions that are being applied to the South African health crisis. Insufficient attention has been paid to the long-term damage that such arbitrary measures will have on the quality of South African medicine.\*

The director of liaison services for the Transvaal Provincial Services, Mr Piet Wilken, says that Transvaal health services are operating within budget and there has been no need for cutbacks in spending.Â®

#### Value added tax (VAT)

Mr Rob Speedie, the executive director of the Representative Association of Medical Aid Schemes, warns that the government should think twice about including health services in the VAT net. VAT is due to be introduced in September 1991. Mr Speedie says that VAT could add R410m a year to health care costs, which would necessitate increasing the fees of the average medical aid member by R180 a year. As a result, private health care could be put beyond the reach of more people.Â®

#### Cost of eliminating backlogs

Dr Azar Jammie, chief economist and director of Econometrix, argues that the shortage of hospital beds for Africans is so acute that even if all 11 700 unused beds in white hospitals were made available to all races, it would hardly make a dent in the shortfall. Indeed, he says, it would cost an additional R700m a year to provide staff for these unused beds. (The minister of national health and population development, Dr Rina Venter, said in May 1989 that there was a shortage of 7 000 hospital beds for African patients.)Â\200\235

#### Incidence of disease

The Department of National Health and Population Development said that as at 8 March 1991, 683 people in South Africa (excluding the independent home-lands) had been diagnosed as having AIDS, of whom 282 had died. Of this number, 270 cases had been reported

\* in 1990, and 70 in the first three months of 1991. The

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figures showed that the largest increases in 1990 had been among adult African heterosexual men and women, and among African infants, whereas previously the disease had been almost entirely confined to white homosexual men.

No national surveys have been done to ascertain the number of people infected with the human immunodeficiency virus (HIV), which results in full-blown AIDS

within six to eight years. However, various local studies show the extent of the problem. In July 1990 more than 2000 people who had donated blood in Natal (including KwaZulu) tested HIV positive. They included nurses, health workers, school teachers and more than 100 schoolchildren. The Johannesburg City Health Department said in November 1990 that research showed some 10 000 residents of the city were likely to be HIV positive. 'A°

Mr Alan Whiteside, a senior research fellow in the Economic Research Unit at the University of Natal, makes the following predictions about the numbers of HIV-positive cases and deaths from AIDS, if the number of cases continues to double every nine months:

HIV-positive cases and AIDS deaths: 1995

and 2000

1995 2000

HIV-positive cases (15-64 years) LSmE12 Im

Cumulative deaths (15-64 years) 0,4m 4 4m

Cumulative infant deaths 0,1m 0,5m

Hepatitis B, another sexually transmitted disease, caused the death of 20 000 people in 1989. A recent study shows that cases may be considerably underreported, actual cases being seven times as great as the number reported.â\200\231

Containing disease

The governmentâ\200\231s response to the AIDS epidemic has been criticised by a number of medical personnel as inadequate. In November 1990 it was reported that the government was to cut R1,8m from the AIDS budget of R5,4m, in order to finance the general immunisation campaign, which was short of funds. Later in the month, the minister of national health and population development reversed the decision, which had apparently been made at a lower level in her department.

The Democratic Party spokesman on health, Mr Mike Ellis MP, said that in 1990 Mozambique, which was one of the ten poorest countries in the world" spent twice as much as South Africa on combating AIDS. According to Mr Ellis, the South African governmentâ\200\231s allocation of R54m in 1990 had to cover â\200\230AIDS education, advertising, training and paying people to deliver education, surveillance projects, the National Institute of Virology, and AIDS training and information centresâ\200\231. Mr Ellis estimated that it would cost at least R50m to cover these tasks adequately.â\200\231

The Department of National Health and Population Development has estimated the cost of medical care per AIDS patient at about R60 000. Mr Whiteside believes that a more realistic estimate for future spending would be close to the AIDS expenditure of Brazil and Mexico, which is about R15 000 per patient. He says that the direct cost of AIDS to South Africa to date has been about R5,3m. Given a nine-month doubling time, the direct cost will be R2,9bn in 1995 and R6,5bn in 2000.

The direct costs are reckoned to be only a fifth of the true costs. This means that AIDS could cost South Africa between R14,5bn and R32,5bn in the year 2000.

#### Training of medical personnel

The vice chancellor of the Medical University of South Africa (MEDUNSA), Professor Leon Taljaard, says that the survival of his institution is at stake unless substantial financial aid is obtained. (MEDUNSA is the only university devoted entirely to medical training for Africans.) Professor Taljaard argues that the cuts in government funding to the universities have affected MEDUNSA particularly severely. Unlike more established universities, MEDUNSA does not have reserve funds on which it can draw to balance its budget. Professor Taljaard adds that the university could have a deficit of R10m in its 1991 budget. It may be compelled to close down its Faculty of Veterinary Science, School of Pharmacy and Department of Nutrition. He says that some courses and support services may have to be abolished, and that 10% of the staff may have to be retrenched."

The minister of education and training, Dr CJ van der Merwe, argues that MEDUNSA was established in a previous era, for ideological reasons. Consequently, perhaps it received a little bit more from the state than other universities. He says that the university would now have to learn to make do with less and to establish priorities."

MEDUNSA was established in 1978 with the intention of producing 200 doctors a year. However, it has never produced more than half this number of graduate doctors.

In early 1990 only 1 000 of approximately 21 000 doctors in South Africa (excluding the independent homelands) were African."

#### Desegregation of facilities

The minister of national health and population development, Dr Rina Venter, said in May 1990 that surplus beds in white hospitals were to be made available to blacks in an orderly fashion. However, she added that the superintendent of each hospital was empowered to decide whether or not a bed was available to black patients. Preference in terms of hospital facilities would also be given to people in the local community. Her announcement was widely interpreted as saying that all hospitals were to be desegregated. However, in 1991 there were allegations that some hospitals in the Orange Free State and Transvaal continued to be segregated. In February 1991 Dr Atul Patel, a doctor at the Witbank Hospital (eastern Transvaal), alleged that many white wards in the hospital remained empty while black patients received treatment in greatly crowded, inferior facilities. The Transvaal Provincial Administration (TPA) was accused of robbing black private patients. It is patently unfair to charge them the same as whites when the black patient gets third class treatment and facilities. The assistant liaison director of the TPA, Mr Jan Loubser, comments, "Patients are not purposely

segregated on racial lines, but by language and cultural affiliations. If there are no beds available on the black side, then there is no problem accommodating black patients with whites.

In March 1991 at least three hospitals in the Orange Free State, ie those at Odendaalsrus, Virginia and Welkom, were still segregated. The director of hospital services for the province, Dr Jan Kruger, defended this policy, saying that there would be endless trouble if wards were suddenly desegregated. It is a matter of different civilisations, he said, alleging that some black patients had used the wards as lavatories. We cannot allow such people to be accommodated in the same wards as sophisticated people. Even when given the choice of where to be nursed, Dr Kruger claimed, most blacks preferred to be among their own people.

During a visit to the Welkom Provincial Hospital, a delegation of African National Congress and Democratic Party members allegedly saw:

- black children sleeping on concrete floors;
- as many as three black children in a bed;

- a distressed black mother with a burned baby waiting five hours for admission to the hospital;

• empty beds in the black wards; and

- a white section with empty beds and air conditioning.

According to the regional hospital superintendent, Dr Gert van Zyl, the black wards of the Welkom Provincial Hospital had an average occupancy rate of 120%, while the white wards were only 85% full. The Goldfields Hospital desegregation campaign committee subsequently laid a complaint of unethical behaviour against Dr Van Zyl with the Medical Association of South Africa (MASA), on the basis that he was exercising racial discrimination in segregating wards. MASA found Dr Van Zyl not guilty.

In March 1991, following press reports about these segregated facilities, Dr Rina Venter asked all four provincial administrators to investigate implementation of policy guidelines on the orderly management of hospital patients. A month later it was reported that only the Orange Free State had ordered an inquiry into hospital desegregation, the other three provinces allegedly ignoring Dr Venter's request.

The Centre for Health Policy at the University of the Witwatersrand says in a study of nine hospitals in the Pretoria/ Witwatersrand/Vereeniging (PWV) area that although important progress has been made in making health services available to more people, hospital apartheid has not come to an end. The study compares admission figures for black patients a month before Dr Venter's announcement of desegregation (ie for April 1990) and six months later (ie for October 1990) at various hospitals in the PWV.

The centre says that out of the nine hospitals which it studied, only the Johannesburg General and J G

Strijdom hospitals (both in Johannesburg) have made significant progress in desegregating wards. Doctors working in Alexandra (near Johannesburg) told researchers that they experienced difficulty referring patients to the nearest hospital, Edenvale Hospital,

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because it was still considered to be for whites only. In Krugersdorp (west Rand), African patients were admitted to Leratong Hospital and whites to Paardekraal Hospital, regardless of which hospital was closer. The Centre for Health Policy says that present policy regarding desegregation of health services is ambiguous and that it allows each hospital superintendent to make decisions about the admission of blacks to his or her hospital. It recommends that the government should formally adopt a policy of desegregation of all health services and that it should set out a timetable for the process of full integration.

#### Construction of new hospitals

The 1991/92 health budget allocates R37m to the construction of four new hospitals which will all serve predominantly African areas. The hospitals are to be built in Botshabelo (Orange Free State), Durban, Garankuwa (Bophuthatswana) and Pretoria. This funding brings to an end a moratorium imposed by Dr Venter in 1990 on the construction of new hospitals.

The announcement of a new 300-bed hospital in Botshabelo was widely welcomed. The township, with a population exceeding 500 000, is served at present by a hospital with only 34 beds. In 1990 the hospital served some 129 060 patients in its out-patient departments, an additional 160 890 people being seen at 11 clinics. When all the hospital beds are occupied, patients who require admission have to be transported by ambulance to hospitals in Bloemfontein and Thaba Nchu, 50km away.

The construction of a new 800-bed hospital in Soweto was again deferred. This hospital has been planned for at least nine years.

#### WELFARE

##### Finance

The following amounts were spent on welfare and pensions in the homelands in 1989/90 and 1990/91:

##### Homelands welfare and pension budgets:

1989/90 and 1990/91

1989/90 1990/91 Increase

R R

Bophuthatswana 132781050 168015719 27%

Ciskei 94 235000 103 010 000 9%

Gazankulu 66525600 79295600 19%

KaNgwane 40182755 42707 183 6%

KwaNdebele 20281000 29838000 47%

KwaZulu 495918 761 626178493 26%

Lebowa 169 183 777 178 660 330 6%

QwaQwa 35210000 39030000 11%

Transkei N/A N/A

Venda N/A N/A

N/A â\200\224 not available



## Equalising pensions

In the 1991/92 budget the minister of finance, Mr Barend du Plessis, announced that old-age pensions were to be increased to R225 a month for Africans, R263 a month for coloured people and Indians, and R304 a month for whites. The new pensions represented increases of 29% for Africans, 17% for coloured people and Indians, and 10% for whites. Funds were also provided for an equal

old-age pension to be paid to Africans in all ten homelands and in the white-designated area. The deputy director general of finance, Mr Estiaan Calitz, estimates that it would cost R6bn to establish parity for pensions at white levels for all race groups in South Africa (including the ten homelands) and to eliminate the means test.Â®

Â® Robin Hamilton

## S. HOUSING

### BACKLOGS

There is a welter of estimates of the housing shortage in South Africa. The highest estimate was 3,4m units countrywide (including all ten homelands), a 1989 figure from the South African Housing Trust. This figure is calculated assuming an average of 6,5 persons per household and then deducting the existing housing stock from the total required by an estimated African population of 28m. It includes, therefore, any household not living in a conventional house, such as shackdwellers and farm labourers.! The Council for Scientific and Industrial Research estimated a shortage of 2m formal housing units among Africans. This meant that 3,2m houses would have to be built by 2000, some 320 000 a year.? The governmentâ\200\231s estimate in 1988 was 1,1m. The Department of Finance in its Budget Review of 20 March 1991 estimated that more than 1,6m people in South Africa could be regarded as â\200\230squattersâ\200\231 while a further 1,7m lived in backyards, a total of 3,3m. It stated, â\200\230The pressing backlogs in housing in respect of particular population groups are cause for very serious concern.â\200\235

In its Policies for a New Urban Future series, the Urban Foundation estimated the shortage at 1,2m in 1990 (including the homelands). It included in its estimates of the housed those living in all housing units over which secure title is held, which includes informal housing stock in site-and-service schemes. Based on this, the foundation says that South Africaâ\200\231s yearly housing requirement for urban Africans is 61 000 units to eliminate the existing backlog over the next 20 years and 113 000 units to cater for new families each year. This gives a total annual need of 174 000.

### Actual provision in 1990

The minister of planning, provincial affairs and national housing, Mr Hernus Kriel, said in April 1991 that altogether 40 464 houses were built for Africans in 1990 outside the homelands. Of these the government built 1656 and the private sector 30 911. A further 7 897 were built through self-help loans granted to individuals by local authorities.â\200\231

## FINANCE

The 1991/92 national budget

In the 1991/92 national budget, housing and infrastructure for urbanisation for all races was allocated R1,56bn, some 1,8% of total budgeted spending. (The comparable revised figure for 1990/91 was R1,51bn, or 1,9% of expenditure.) The 1991/92 figure includes R1,087bn in the general budget, plus amounts of R119m for the purchase of land and infrastructure for urbanisation, R90m for the Department of Planning, Provincial Affairs and National Housing to supply basic infrastructure, R60m for the House of Representatives for coloured housing, and the Department of Development Aid's allocation of R206m for urbanisation/housing spending in the non-independent homelands and on South African Development Trust land. According to figures given to the Institute by the Department of Finance, R913m was allocated to African housing (compared to R714m in 1990/91), R99m to coloured housing (R58m), R63m to Indian housing (R49m) and R82m to white housing (R96m). (The Department of Development Aid's allocation is not included in this breakdown and a further R200m could not be allocated to any race group.) In other words, budgeted spending for white housing decreased by 15% in nominal terms, while the combined total for African, coloured and Indian housing increased by 31%. The minister of finance, Mr Barend du Plessis, said that the housing budget, together with the R750m two-year housing initiative announced by the, Independent Development Trust (IDT) on 15 March 1991 and the schemes of various housing authorities, would give more than 90 000 families access to low-cost housing or serviced sites in the 1991/92 financial year. As the IDT anticipates housing 50 000 families during the two years of its budget, the government evidently expects public authorities to take care of the other 40000. No details were given in the budget speech about how the housing money would be spent, Mr Du Plessis saying that an announcement would be made shortly. Although, as we shall see below, 90 000 houses in a year will go little more than half way to meeting the need,

this would more than double the rate of construction of 40 464 home built for Africans outside the homelands in 1990.

#### Bridging finance

What proportion of the housing budget will in fact be spent on housing the homeless remains to be seen. In 1990/91, some 65% of the African housing budget was allocated to the provincial administrations as bridging finance for the cash-strapped African local authorities. The consequence of their inadequate fiscal base and rent and service charges boycotts. The debt to black local authorities in unpaid rents and services charges totalled R1,15bn at the time of the tabling of the budget. Mr Kriel said in Parliament on 1 March 1991 that the following amounts were owed to black local authorities for unpaid house rents and service charges:

#### Debt to black local authorities

R

Cape Province 109 109 713

Natal 3682 013

Orange Free State 40 008 967

Transvaal 996 572 389

Total 1149 373 082

Regional services councils which raise money from levies on employers to finance infrastructure, have also been devoting spending to providing bridging finance to local authorities to avert electricity and water cutoffs.

An executive member of the Central Witwatersrand RSC, Mr Hein Kruger, said on 18 March 1991 that capital projects might have to be stopped so that bridging finance could continue to be provided. The RSC has a capital project development budget of some R900m. In terms of the Soweto Accord signed in September 1990, residents of Soweto, Diepmeadow, Dobsonville and Meadowlands undertook to pay rent and service charges. The RSC undertook to pay the difference between the council's operating costs and income from residents until the end of March 1991. Payment of electricity bills, however, had dropped from 76% of consumers after the signing of the accord to 26% in February 1991. The chairman of the RSC, Mr John Griffiths, said that there was little point providing infrastructure if services from such infrastructure were not going to be paid for, and that only capital items of high priority would be looked at.

The Transvaal Provincial Administration (TPA) wrote to the Transvaal regional services councils in February 1991 asking them to hand over 15% of their budgets to compensate for boycotts of rent and service payment in black townships. The TPA said that the bridging finance was intended to compensate for the non-viability of black towns.

the Central Witwatersrand RSC allocated R170m of its R400m budget as bridging finance to black local authorities. It deferred a decision on whether to raise loans to finance the bridging finance or whether it would increase levies. 'Â°

The East Rand RSC, with a budget of R158m for 1991/92, applied to the government for a 21% increase in services and establishment levy rates in mid-March 1991. Its chairman, Mr Leon Ferreira, said that there was no link between the hike and the TPA's request for R23m in bridging finance. Mr Ferreira said that the increase, an extra R26m, was the minimum needed to reconcile income with projected expenditure. In September 1990 the council had agreed to make R27m available as bridging finance and it was spent on water, sewerage and waste disposal costs. The East Rand RSC's assistance with township running costs was due to end officially at the end of March 1991. Certain capital projects were shelved to pay for the running costs.

In March 1991 the TPA budgeted R411m for bridging finance in 1991/92. (An amount of R428m was paid out in bridging finance by the TPA in 1990/91.) The MEC for local government, Mr Olaus van Zyl, said that this was not aimed at financing boycotts, which had affected 53 out of 60 local authorities since July 1990, but at helping non-viable black local authorities maintain essential services. The TPA had also decided that for better co-ordination it would hand over the amounts allocated for bridging finance to RSCs from 1 April 1991. Transvaal black local authorities have repaid only R1,3m of the R1,3bn provided by the TPA in bridging finance in the last five years. Mr Van Zyl said, however, that the TPA had not intended the bridging loans to be repaid as they had been given to non-viable communities that could not afford to run essential services.

#### Total housing finance

It is expected that the private sector will greatly increase its expenditure on low-income housing in the period ahead. A confidential report on South African housing needs compiled by Medium Term Forecasting Associates (MFA), revealed that the amount available for low-income housing expenditure has increased between 1990/91 and 1991/92 by 48%, from R1,83bn to R2,71bn. This money will be coming from the Development Bank of Southern Africa, the South African Housing Trust, the Independent Development Trust, the Urban Foundation, utility companies and private employers. According to the report, R1,005bn is expected this year from the private sector, compared with R472m last year - an increase of 123%. However, the MFA report warns strongly that township violence, as well as rental and bond boycotts, will have to cease to allow financial institutions and homebuilding contractors to develop and build.

Money available for low-income housing

Financial years	1990/91	1991/92	Percentage
ending 31 March	R million	R million	change
Mortgage Interest Subsidies			

(First Time Homebuyers's Subsidy Scheme)	110	141	2
National Housing Fund	734	850	16
Amounts channelled by various state departments	513	723	41
Private sources			

(Development Bank, SA Housing Trust,

Independent Development Trust, Urban

Foundation, utility companies,

private employers) 472 1005 123

Grand total 1829 2719 48

#### HOUSING FINANCE SCHEMES

Schemes using private retirement funds

A number of housing schemes have been launched by the private sector to enable employees in the formal sector who are members of retirement funds to purchase houses.

Mr Henk Beets, then assistant general manager employee benefits at Old Mutual, wrote in March 1990 that home ownership is not affordable to most South Africans and an individual would have to earn approximately R1 400 a month in order to obtain a mortgage bond of R20 000. However, using retirement funds would make housing finance more accessible and affordable to individual fund members."

In November 1990 the government agreed to lift two legal constraints on the mobilising of pension and provident funds for housing, thereby opening the way for new housing finance schemes announced thereafter by the Perm and Old Mutual. It agreed to grant exemptions to provisions in the Pension Fund Act of 1956 whereby anyone borrowing money from their pension or provident fund had to start repayments immediately, as well as provisions in the Usury Act's

The Perm's salary-linked finance scheme

In November 1990 the Perm announced an unconventional home finance scheme. In terms of the scheme, homebuyers are given 100% finance for the house they wish to purchase. In return the borrower contracts to hand over an agreed proportion of his salary for 20 years. In other words, the monthly repayments are not linked to interest rates in any way at all. The amount to be repaid is based on an average of 17,5% of gross salary over a 20-year period, starting at about 25% of gross salary in the first year of repayment, decreasing to about 10% by the twentieth year. This enables the borrower to buy a house to the value of 42 times his monthly salary at the time of purchase. With conventional finance, a

buyer can generally borrow only 17 times his monthly salary to spend on a house. For example, a worker earning R1 000 a month can afford a R42 000 house in terms of the Perm scheme. In the first year of repayment

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he would be paying R250 a month. With a conventional home loan, he could afford only a R17 500 house with monthly repayments of R300 a month. The scheme is premised on the fact that salaries generally rise over time. 'Â®

The scheme is available to anyone who earns R800 a month or more; is employed by a Perm-approved employer; is an established member of a pension or provident fund, and can repay the loan by the age of 55 years. The finance will be provided to the employees of large companies with whom the Perm will make arrangements for direct payments of instalments through salary deductions. Employers will also provide the Perm with accurate salary details about the borrower and administer the stop orders for repayments. Collateral security for the finance is the borrower's retirement fund withdrawal rights."

The Perm's scheme will use a pool of money invested by pension and provident funds from which finance will be made available to employees of companies recognised by the Perm. The scheme is designed to offer retirement funds an acceptable return on their investments, the Perm raising funds from them and placing them in a pool of funds used to grant finance to borrowers. Pension funds could join the scheme individually on behalf of their own members or take part in a pool of loans to employees of their own and other pension funds. The returns for retirement fund investors rely on annual increases in borrowers' salaries. Investment by retirement funds in the scheme is allowed by negotiated exemptions from the Usury and Pension Fund acts. 'Â®

Mr Bob Tucker, outgoing managing director of the Perm, said in November 1990 that about 9% of Africans could afford a R35 000 house. Another 12,5% could afford a house valued at between R12 500 and R35 000. No fewer than 60% cannot afford a R12 500 house. But huge numbers of the African employed can afford only R10 000. Under the new scheme these people could afford a house of R25 000.

Mr Dave Wright, marketing manager, homeloans, at the Perm, said that the finance scheme would be launched to large companies from June or July 1991. Live testing of computer systems and documen-

tation for the administration of the scheme would begin in April.Â®

#### The Old Mutual and Urban Foundation Housing Scheme

The Old Mutual and Urban Foundation Housing Scheme was announced in November 1990. The scheme is designed for people earning R700 or more a month who are in active employment, are members of a pension or provident fund (retirement fund) and have accumulated suitable reserves in such a fund. They may not own any other properties. The scheme enables them to buy a home which costs R45 000 or less (including the land), is a permanent structure and is registered in the memberâ\200\231s name.?!

The scheme enables members of pension or provident funds to use their contributions to provide for their immediate housing needs and to repay the loans later in away which does not reduce the value of their retirement benefits.??

Once a member has accumulated a withdrawal benefit in a pension or provident fund equal to a 5% deposit on a house, the member can borrow this amount from the fund. The member then borrows the balance of the cost of the house from a bank or building society at prevailing interest rates. The member then starts bond repayments which are limited to a maximum of 25% to 30% of gross salary. If this portion of salary is insufficient to cover the bond repayment, the deficit is made up by further loans from the pension or provident fund. The amounts loaned by the retirement fund are worked out in such a way as not to exceed the memberâ\200\231s withdrawal benefit entitlement at any particular moment in time. After the memberâ\200\231s salary has risen sufficiently so that monthly loans are no longer necessary to meet the bond instalment, the member starts paying back the loan from the fund, at a rate of interest decided upon by the fundâ\200\231s trustees â\200\224 based on the investment rate earned by provident or pension funds â\200\224 until fully repaid. Bond and loan repayments will be structured so as never to exceed 20% to 25% of salary. Trustees will decide what proportion of a memberâ\200\231s withdrawal benefit can be borrowed from the fund. If a member becomes unemployed he receives his withdrawal benefit minus what he has borrowed from the retirement fund.

Trustees will decide which employees are eligible for the scheme â\200\224 usually more stable employees. Because the scheme enables employees to borrow their withdrawal benefit and to pay a 5% deposit through the loan guarantee fund, they can afford a much higher bond and would generally be able to afford a house worth 50% more than they would have previously. Ideally the loan should be spread over 30 years. Members, in terms of government exemptions, must start paying back their loans from the retirement fund in ten years.

The scheme will not generate cross subsidies between those who use it and those who do not. It makes use of the loan guarantee fund and will also allow individuals to take optimum advantage of first-time homeownersâ\200\231 subsidies.\*

Old Mutual's general manager employee benefits, Mr

Brian Baskir, said in February 1991 that Old Mutual would have its systems in place to begin providing finance to borrowers from any of the funds that it administers in the second half of 1991. More urgent requests would be considered prior to this time. The procedure involves trustees of retirement funds participating in the scheme negotiating with the government to exempt their fund from the Pension Fund and Usury acts. Trustees would decide on the interest rate at which they would expect their members' loans to be paid back.Â®

#### Schemes using public funds

The schemes just described are of no help to the unemployed, those without jobs in the formal sector and those who are not members of formal retirement funds. The Urban Foundation proposed that the best way to address the housing problems of those who are not helped by the new schemes is widescale site-and-service schemes made affordable by a capital subsidy on the costs of a serviced site.

The Independent Development Trust (IDT), established in August 1990 to invest a government allocation of R2bn in social upliftment, announced on 15 March 1991 that it would make R750m available over the next two years to 100 000 first-time homeowners through one-off grants of R7 500 each to buy serviced sites. The subsidy would be available to applicants over the age of 21 who had dependants living with them, earned maximum salaries of R1 000 a month, were first-time property buyers and received no housing subsidies from the state. The grant would not be paid directly to the applicant. If the site cost less than R7 500, the residual amount would be set aside for use in developing the area.Â® The plan would include residents of all ten homelands as well.?

The IDT's housing director, Mr Ben van der Ross, said that while the IDT was in no way relieving the government of its responsibility for providing subsidies to first-time black homeowners, it appeared unlikely that the government would be able to commit substantial funds to the immediate housing needs of lower income groups within the 1991/92 financial year.

Research in 1990 by the Urban Foundation demonstrated that if a R6 000 capital subsidy on all properties of up to R65 000 replaced all other subsidies, this would allow the creation of 90 340 units a year at an average cost of R514m each year to the government. It proposed that for wealthier households not purchasing serviced sites a first-time homebuyer's subsidy still apply, but that the capitalised value of the subsidy amount to no more than R6 000. This would result in owners of houses of a value less than R30 000 receiving a proportionally larger subsidy than under the present scheme, and those buying houses worth more than R30 000 receiving a proportionally lower subsidy. The impact of the subsidy proposals on affordability is demonstrated in the following table published by the Urban Foundation which compares the current situation with one in which capital subsidies and modified first-time homebuyers' subsidies



subsidies of R6 000 are applied:

Affordable demand for housing among black urban households

Assuming current first-time homebuyerâ\200\231s subsidy and modified first-time homebuyerâ\200\231s subsidy

Rental 59% 3%  
Serviced sites 0% 58%  
Starter houses 30% 30%  
Conventional houses 11% 9%  
Total 100% 100%

The Urban Foundation has calculated the

implications of its subsidy proposals for the national fiscus. The 1990/91 housing budget for Africans totalled R973m (of which however, 65% was allocated to bridging finance for African local authorities rather than to subsidies). The foundationâ\200\231s proposals, if implemented, would cost much less â\200\224 some R514m a year.

The Urban Foundation gives an example of a five-year building programme:

Housing type No of units ~ No of units  
per annum (1991-1995)

Rental/sales family houses ~ 4 060 20 300  
Serviced sites (capital

subsidies) 52100 260 500  
Formal conventional and

starter houses (first-

time homebuyerâ\200\231s subsidy) 34 180 170 900  
Total 90 340 451 700

This model provides for 90 340 units a year whereas the magnitude of housing need, by the Urban Foundationâ\200\231s own calculation, is 174 000 housing units a year between 1991 and 1995 for the urban African population alone (based on a current backlog of 1,2m units for urban African families and population growth of 43% between 1990 and 2010 for urban African families).%Â® As indicated above, however, 90 000 units in a year would be more than double the number of houses built outside the homelands last year.

The Urban Foundation estimated in February 1990 that the starter housing sub-market accounted for approximately 30% of housing demand, ie 250 000 families required housing packages (land and houses) with selling prices ranging between R12 500 and R35 000. Because of the Joint Urban Foundation and Association of Mortgage Lendersâ\200\231 Loan Guarantee Initiative, a number of financial institutions had agreed to provide home loans below R35 000. Annual

population growth meant that an additional 15 000 starter homes needed to be built in the major metropolitan areas (excluding the homelands). If the state introduced a capital subsidy on a site and the first-time homebuyer's subsidy was modified, the demand for starter homes was likely to increase from

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30% to 40% of housing demand of 224 340 000 homes currently and an additional 20 000 annually. The foundation calculated that R6 000 would buy, at 1990 prices, a surveyed and proclaimed site of 200 square metres, with water reticulation and a metered connection to each site, sewerage reticulation with a site connection, gravel major roads, graded minor roads, surface stormwater drainage and high mast public lighting. A!

#### WHITE PAPER ON LAND REFORM

The government tabled its White Paper on Land Reform on 12 March 1991 (see also Land below). It contained various proposals aimed at relieving the housing shortage. The government had instructed the South African Housing Advisory Board to advise it on a new national housing policy and strategy.

#### Land tenure upgrading

One of the five bills proposed within the white paper was the Upgrading of Land Tenure Rights Bill. This provided for the automatic conversion of some 300 000 existing leasehold and deed rights to full ownership in proclaimed African townships, free of charge. All future registrations would establish full ownership, opening the door for granting ownership over some 1 000 000 additional residential sites. The bill also provided for the conferring of extraordinary powers on the authorities to cut through red tape and open township registers in several townships where this has been delayed by technicalities. This would enable the conversion of leasehold rights to freehold in these areas. The government would undertake the mass surveying of numerous unsurveyed townships and the updating of obsolete registers to enable granting of full ownership rights.

The Land Tenure Rights Act was passed by Parliament at the end of June 1991. Mr Kriel said 'It does not mean that they are getting these properties for free. They have in most of these instances already paid for them. If they are a registered leaseholder, then they have paid for the property.' The government said that in informal settlements, a major task lay ahead in surveying and disentangling the ground layout before holders of lesser rights could acquire ownership. It would be possible to set the administrative process of this planning and surveying in progress as soon as a community decided to convert to the granting of ownership.

#### Informal settlers

The government committed itself in the white paper to promoting realistic and affordable norms and standards for housing and services. Provincial administrations, local authorities and other responsible

bodies should, where appropriate, set minimum requirements for the erection and maintenance of buildings and also for the provision of services and should then ensure that upgrading takes place in a

responsible and orderly manner as communities develop the ability to pay for services of a higher order... The government therefore believes that at this stage the accent should be on minimum standards and the systematic upgrading thereof.â\200\231Â@\*

The white paper proposed the passing of a Less Formal Township Establishment Bill to provide interim measures for dealing with the more acute needs of urbanisation until a comprehensive urbanisation strategy has been devised. This has now been passed and the act provides for shortened procedures involved in the creation of â\200\230less formal upgradable townshipsâ\200\231, and makes it possible for provincial administrators to establish informal townships on any land at their disposal as the need arises. These areas would need to be surveyed and a township register opened to enable ownership of sites to be acquired, but, apart from these provisos, would not be subject to legal provisions applicable to formal township development. The administrator would have to ensure that the land was developed in such a way that it would be suitable for upgrading at a later stage. According to the white paper, these measures would be in effect until a comprehensive urbanisation strategy had been devised. This was so that a vacuum was not created after the abolition of existing racially based systems for the provision of land and for township development. The white paper emphasised the urgency of establishing such townships in view of the substantial housing backlog.

The white paper also said that the government would draw up a new national housing policy and strategy. The government also intended to introduce a Physical Planning Bill, which was passed in June 1991, to enable the authorities to ensure that sufficient land for urbanisation was identified and that effective urban structures were established. The multiplicity of laws governing urbanisation should be reduced to a single system, catering for a range from informal settlement to formal township establishment.

#### Squatter policy

The white paper stated the governmentâ\200\231s belief that the urbanisation process should be managed properly and that the established urban environment should be protected against physical decay. â\200\230The government believes that the emphasis in dealing with squatting

should always be on guiding [the homeless who seek a livelihood in the urban areas] towards land which is suitable for less formal settlement and on which at least rudimentary but upgradable services are available.â\200\235 The government said that it accorded â\200\230high priorityâ\200\231 to the task of providing and developing sufficient urban land for this purpose.â\200\231â\200\235 Trespass and squatting on land not suitable or intended for occupation were â\200\230strongly condemnedâ\200\231 by the government and could not be tolerated. The government proposed to hand over the application of anti-squatting laws to provincial administrators to overcome the problem of fragmented and overlapping government control. The white paper proposed that anti-squatting laws be applied more efficiently and mechanisms be provided to maintain norms and standards in local communities when the Group Areas Act and other racial land laws were

scrapped.

## PRIVATE SECTOR SCENARIO PLANNING

Old Mutual and the Perm have been developing a scenario plan since mid 1990, details of which were mentioned in a speech in mid-March 1991 by the chairman of the Anglo American Corporation of South Africa, Mr Julian Ogilvie Thompson. One aspect of the plan is to give the economy a boost through large-scale provision of housing.

The plan proposes to triple 1990 levels of output of site-and-service dwellings and quadruple the provision of low-cost housing units. The government would, it is envisaged, provide a capital subsidy of R6 000 per site, costing R2,4bn a year, while financial institutions would finance the housing itself at a cost of R2bn annually between 1991 and 1995. The scenario plan envisages the electrification of one million houses a year by 1994 at a cost in that year of R2bn, on the basis of a pre-payment system, uniform prices in black and white areas, and the reorganisation of the distribution network. This would mean the provision of 400 000 new sites serviced with electricity each year until 1995 (comprising 200 000 houses costing less than R15 000 a year and 200 000 self-help structures).

eÂ® Mavivi Manzini

## 6. LAND

### WHITE PAPER ON LAND REFORM

The government published its White Paper on Land Reform in March 1991. The expressed objective was to make land rights throughout the country accessible to all people, regardless of race, colour or descent. The white paper stated that a person's legal capacity to acquire and exercise land rights should not be restricted by virtue of

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his population group and that statutory and other restrictions based on race should be removed. Support measures should be designed to enable people to acquire land.

The white paper contained five bills which it proposed should be passed. The Abolition of Racially Based Land Measures Bill provides for the unconditional repeal of the Black Land Act of 1913, the Development Trust and

Land Act of 1936, the Group Areas Act of 1966, the Black Communities Development Act of 1984 and all other provisions regulating the acquisition and exercise of land rights according to race. A total of 189 sections and acts that supported racial discrimination in respect of land would be repealed by the proposed bill. The state president would be empowered, until the end of 1994, to effect the necessary adjustments by proclamation after thorough research and consultation with an advisory committee on nonracial area measures, which would also liaise with all state departments and other relevant bodies.

The repeal of the acts would terminate the legal status of 'scheduled' and 'released black areas', 'black development areas', all 'group areas', the 'controlled areas', 'free settlement areas' and 'coloured rural areas', as well as their geographical definitions.

The repeals would not affect the legal status of the non-independent homelands, their geographical definitions and their administrative structures. However, land would no longer be incorporated into these homelands for the purpose of forming a state as in the past, but would be placed under the administrative control of the appropriate authority.

In terms of the white paper, the constitutional concept of own affairs would continue until a new constitution was negotiated. The present system of local government would also be unaffected by the repeal of these acts.

The South African Development Trust (SADT), the act proposed, would be phased out by the systematic integration of its services, assets and staff into other government structures. The state president would be empowered to effect the phasing out of the SADT in the non-independent homelands by proclamation.

The white paper also proposed an Upgrading of Land Tenure Rights Bill to upgrade inferior land tenure rights in both urban (see above) and rural black areas and to integrate them with normal deeds registry practices. This assistance would also be available to rural communities that chose to convert to private ownership. The white paper accepted the traditional system of tribal ownership in the non-independent homelands but stated a preference for individual land tenure. The government believed that individual ownership of agricultural land and its use by private entrepreneurs formed the basis of an established and successful agricultural industry. About 354 000ha of land outside the 'independent' homelands are held as tribal land, on a trust basis or in terms of allocations of SADT land. Where practicable, the government believed that full ownership of land should be transferred direct to the tribal authority. The Upgrading of Land Tenure Bill would prohibit the tribal authority from selling land to people other than members of the tribe for the first ten years after transfer unless the tribe obtained an order of court authorising such a sale.

The white paper also dealt with informal settlers and squatting. Housing shortages should be eased to lessen the pressure on established residential areas and coun-

ter unlawful squatting as well as preventing established communities from being displaced. The Less Formal Township Establishment Bill provided for the esta-

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blishment of legal mechanisms for the urgent provision of land suitable for more informal settlements (see above).

The white paper said that rural development lacked co-ordinated action and planning and that a national rural development strategy was needed. The Rural Development Bill made provision for the establishment of a National Rural Development Corporation, to fill the vacuum caused by the phasing out of the SADT. This bill also provided for the utilisation of state land, or other land acquired by the state, for the purpose of agricultural settlement. Additional land for this purpose would have to be bought by the state. Race would not play a role in the allocation of farming units, which would be done on the advice of a committee of experts. Allocations would be made on the basis of probationary leases of no longer than three years, and subsequent leases of no longer than 15 years, during which time the lessee would have the option of buying the farming unit at a price determined by regulation. Tribes and tribal communities could enter the agricultural land market and purchase land for residential, communal and agricultural purposes. However, the unproductive use of high-potential agricultural land should be discouraged. To ensure the productive use of the land and to make it possible to convert to individual ownership at a later stage the tribe would, according to the proposed bill, have to lay out a surveyed settlement, and allocate farming units to members of the tribe accordingly.

The bill would not affect existing ownership of tribal lands.

#### Current backlogs and future prospects

The total surface area of South Africa is 119,6m hectares, the commercial farming areas (mainly white) make up 83,1m hectares (81%) of the total area. The total land area of the ten homelands is 17,3m hectares (14,5%), with agriculture taking up 16m hectares, which is 93% of the total surface area of the homelands. The homeland population is 14m." Most of this land is controlled either by the SADT or by the relevant tribal authority. African farmers have been confined to the homelands and SADT land, where agricultural production is largely on a subsistence basis.<sup>2</sup> The SADT also owns most of the 1,3m hectares outside the non-independent homelands, that the state has bought for homeland consolidation. About 696 000ha of this land is already occupied and held by African tribes, communities and individuals. The SADT is also the nominal owner of about 3m hectares of additional land already in communal or other use.

About 99m hectares (10%) are used for nature conservation, which includes the game reserves, and 9,4m hectares (9%) are used for other purposes, such as urban settlements and infrastructure.Â®

White farmers have expressed concern at suggestions



by various political organisations that farm land be redistributed. The government's White Paper on Land Reform, however, ruled out any redistribution of agricultural land. Research by the Development Bank of Southern Africa (DBSA) indicated that 1,45m

hectares would become available if the state were to expropriate the most heavily indebted land of the white agricultural sector.

The value of farm land in South Africa (excluding the homelands) according to official estimates amounted to R44bn in 1988. The DBSA's estimate is R100bn, including fixed improvements. The cost of transferring 25% of the land earmarked by the government for traditional homeland consolidation to prospective African farmers in the next three years would be between R11bn (official estimate) and R25bn (DBSA estimate).

The white paper declared that the restoration of land to individuals and communities who were forced to give up their land on account of past policies would not be feasible. The African National Congress (ANC) criticised the white paper on the grounds that it had failed to address the plight of the victims of forced removals, or the removals of labour tenants. Although the white paper prepares to allow anyone, irrespective of race, to buy land, this would not solve the problem of the communities who were forcibly removed, because only a few people would be able to buy land at current market prices. How much actual demand for agricultural land there is among Africans, is unknown. A report by two DBSA researchers said that the obstacle to land access is in the unavailability of finance for land purchase rather than its costs.

The ANC proposed R6,5bn in new expenditures over a five-year period for land reform to establish 150 000 small farmers.

#### AGRICULTURAL PRODUCTION

There are 1,3m African subsistence farmers in South Africa, of whom 3 000 are farming full-time on a commercial basis." In 1990/91 white farmers contributed 90% to agriculture's proportion of gross domestic product (GDP), with 65% of the total budgetary assistance. African farmers received 35% of the total budgetary assistance, and produced 10% of agriculture's proportion of GDP.

By the early 1970s government policy in homeland agriculture was to provide physical planning in the form of betterment planning and administrative control. Betterment planning was ineffective as it did not provide an economic base for the commercial farmer or the non-farming rural population.

The fact that commercial agriculture did not exist in the homelands was seen as a result of African farmers lacking entrepreneurial and managerial skills."

Government then decided that expatriate management should be introduced to develop agriculture in the homelands. The emphasis was on large-scale, centrally managed, estate project farming, with little or no community participation in either irrigated or dryland production.

In the late 1970s and the early 1980s the agricultural policy was adjusted to settle selected labourers as project farmers under the control of central manage-

ment.

The projects failed as they were expensive to maintain, requiring frequent government subsidies to sustain production as labour was expensive and productivity low.

However agricultural researchers say that the most important factor contributing to the failure of this system was limited access to farmer support services such as credit, farming inputs, infrastructure, marketing services, extension, research and training, as well as the political climate."

The settlement schemes were replaced by the farmer support programme (FSP) introduced in 1986. Since then the DBSA has given R60m in loans for 23 projects throughout the country. This represents approximately 54% of the total cost of these programmes. The objective of the FSP is to promote structural change away from subsistence agricultural production to commercial production, by providing comprehensive agricultural support services and incentives to small farmers."

The progression of African smallholder farmers in the homelands from centrally managed estate farms to a market orientated farmer support programme indicates the potential of the African smallholder farmers to make efficient use of agricultural resources.

e Unjinee Poonan

## 7. TRANSPORT

### TAXI SAFETY

Through commuter surveys in 1988 and 1989 the Department of Transport found that 54% of taxi users were dissatisfied with safety standards and 46% were dissatisfied with the driving habits of taxidrivers.' Nevertheless, figures supplied by the National Road Safety Council (NRSC) showed that minibuses had lower accident rates in 1988 than for every 100m kilometres travelled than for ordinary passenger cars: the rates were 1 018 for passenger cars, 1 006 for buses, and 915 for minibuses. The accident rate for all vehicles

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(including light commercial vehicles, which have a relatively low rate) was 766. However, fatality rates were high for minibuses: 13 people were killed in accidents for every 100m kilometres travelled by them, compared to six for all vehicles.

The NRSC's latest figures on accidents for 1989 showed that the accident rate for minibuses had declined by 27% over 1988, making the accident rate for minibuses lower than, not only ordinary passenger cars, but the average for all vehicles together. The accident rates per 100m kilometres in 1989 were as follows: 944 for passenger cars, 648 for buses, and 671 for minibuses.

The accident rate for all vehicles was 762. Although declining, however, the fatality rate in minibus accidents remained high: 11 people died in accidents for every 100m kilometres travelled compared to five for passenger cars, nine for buses and six for all vehicles.

A Taxi Safety Action Group has been established to co-ordinate safety in the taxi industry. It is made up of representatives from bodies including the Automobile Association, the Southern Africa Black Taxi Association (SABTA), the Southern African Long Distance Taxi Association, the Council for Scientific and Industrial Research (CSIR), the NRSC and the South African Police. Working groups deal with matters such as driver training, vehicle design and law enforcement.

In August 1990 the CSIR made a range of recommendations on improving safety in the kombitaxi industry, including recommendations on taxidriver training. These are being implemented by Project Spear (a SABTA company), the CSIR and the NRSC. By March 1991, Project Spear had reached agreements with 16 accredited driver training centres. Together with their satellite centres, this meant that taxidriver training could take place at 45 centres around the country. Project Spear and various other bodies such as the NRSC have jointly developed a two-day driver training programme, and 50 drivers attended the pilot course in December 1990. Another 200 drivers attended a pilot course in February 1991. The managing director and joint owner with SABTA of Project Spear, Mr Henry Serfontein, planned to put a further 5 000 drivers through the course at the 45 centres between March 1991 and March 1992. Problems delaying training, he said, included a reluctance by both taxidrivers and taxiowners to attend. Owners were not willing to pay or let their drivers off work, while drivers were not willing to pay for themselves or to take two days' unpaid leave to participate in the course. Because of resistance to the cost of the course (R300), the price was reduced to R75 and Project Spear has had to seek sponsorship. Toyota South Africa and Volkswagen of South Africa have loaned four vehicles each to the training programme.\*

#### PROBLEMS FACING THE BUS INDUSTRY

In a special survey of the bus industry in February 1991, South African Transport reported, 'In spite of the government's current stated onslaught on the barriers to the social upliftment of the poorer sections of the community, conditions have deteriorated to such an extent that the very existence of the bus industry is now at stake.' While the government had appointed a crisis committee to investigate the problems of bus services, it had put on hold a Passenger Transport Bill, due to be tabled in the 1991 session. The chief executive of the Southern African Bus Operators' Association (SABOA), Professor Jackie Walters, said that the government had no choice because of the political and

financial instability of its lower levels as the bill provided for the devolution of passenger transport policy and

financing to local government. He also doubted whether there was enough expertise at local government level to formulate regional transport policy. Professor Walters believed that the new legislation would be substantially different from the old and would be shelved until a new constitution was formulated.â\200\231

Putcoâ\200\231s managing director, Mr Jack Visser, said that the only hope for the bus industry appeared to be the urbanisation of an estimated 15m people in the next two decades, â\200\230if, that is, there are any bus services left to enjoy this benefitâ\200\231.

One of the problems faced by the Department of Transport is that while subsidies paid to the bus companies have continued to increase over the years, the number of commuters benefiting from them has decreased to about 50%. This is the result of 30% of African commutersâ\200\231 choosing kombitaxis, which are not subsidised, as their main mode of transport. The government has frequently expressed its commitment to reduce the subsidies it pays to bus companies. The following actual amounts were paid out in various years to bus companies in subsidies for African, coloured and Indian commuters (with the increase over the previous year reflected in brackets):â\200\235

#### Bus subsidies

1983/84 Ee R165m

OSE R209m (27%)

1985/86 ~ ~ â\200\224 R271m (30%)

1986/87 = R362m (34%)

1987/33 R415m (15%)

1988/89 â\200\224 R476m (15%)

1989/90 â\200\224 R540m (16%)

Professor Walters says in defence of continued subsidies, â\200\230Experience has shown that about 20% is the maximum increase that can be taken. Anything more invites stonings, boycotts and mass protest. Old-style politicians placed black workers more than 160km from their work and promised they would subsidise bus companies to transport them to and from work. Modern politicians who renege on this promise must realise that bus companies cannot transport workers over long distances and still show a profit on their investment without adequate fares or subsidies.â\200\235

In SABOA'â\200\231s view, inadequate financing from the state and the inability of passengers to pay more towards their fares, means that the industry has no option but to curtail services. SABOA expected that 5% of the countryâ\200\231s 16 000 standard-size buses would be withdrawn from service in the first half of 1991. SABOA said that bus depots in Alberton, Edenvale, Springs and Wynberg (all Transvaal) had already been closed. At risk were those in Alexandra, Carletonville, Ellisras, Klerksdorp, Nelspruit, Pietermaritzburg, Potchefstroom, Soweto, Standarderton, Vereeniging, Virginia and Witbank.Â®

The managing director of Bophuthatswana Transport Holdings (BTH), Mr Jacques van Zijl, said that BTH had increased its fares by only 10% a year, but needed

an almost immediate increase of 25% to stay in business. (BTH carries more passengers â\200\224 150m in 1990 â\200\224 than any other bus company. Putco, the second largest, carried 143m in the same year.)'Â°

Few municipalities continue to run bus services. The municipalities of Benoni, East London, Edenvale and Welkom, which previously operated their own bus services, had stopped doing so."

Whereas Putco carried 323m passengers in 1984/85, it carried only 143m in 1989/90. Mr Visser said that unless paid to do so a bus company was not obliged to cater for commuters â\200\224 it owed allegiance to its shareholders. â\200\230The social responsibility isnâ\200\231t ours. If routes donâ\200\231t pay we close them down. We were losing R300 000 a month on our Dobsonville services and gave a monthâ\200\231s notice we would close them. The Department of Transport intervened, agreed to compensate us for our losses, and asked us not to close them as no other mass transport mode was available. So we're still operating.â\200\231'2

The South African Development Trust Corporation operated bus services in the Ciskei, Gazankulu and QwaQwa. In May 1989 a bus boycott in protest against fare increases of the Ciskei Transport Corporation (CTC) resulted in â\200\230enormous financial lossesâ\200\231, according to the corporationâ\200\231s 1990 annual report. It curtailed a number of services and received a grant of R8,5m to partly cover the boycott losses. A strike by employees in December 1989 followed by unsuccessful negotiations with the Ciskei administration aimed at transferring the corporationâ\200\231s shareholding to it, resulted in the company being closed down, as no supporting finance was available to continue operations. Passenger numbers had decreased from 51m in 1987 to 34m in 1989. Only 15m passengers were carried by CTC in 1990." However, a community-run bus service, called the Mayibuye Transport Corporation, was set up in the Ciskei to acquire the assets of the CTC. The first 20 buses made by Mercedes Benz were delivered at the end of 1990."

A decline in passengers carried by the QwaQwa Bus Service from 12,6m in 1989 to 10,6m in 1990 was ascribed by the corporation to kombitaxi competition. The QwaQwa administration agreed to take over the bus service from the corporation from April 1990. Gazankulu Transport continued to expand with rising demand and the corporation was negotiating the transfer of its

shareholding to the Gazankulu Development Corporation."

Putco and representatives of Alexandra residents were negotiating to form a jointly owned local transport company to run a bus service serving Alexandra residents. Alexandra residents had been relying on kombitaxis following Putcoâ\200\231s closure of its Wynberg depot. The president of the Alexandra Civic Association, Mr Moses Mayekiso, said that he expected the proposed local transport company to be called the Alexandra Peopleâ\200\231s Bus Company. The company would operate 50 buses leased or bought from Putco on selected and profitable routes. Putco believed that if successful, the venture could be the precursor to similar ventures between the company and residents of other

townships. 'Â®

The threatened closure of Port Elizabeth (PE) Tramways, which operated 400 buses and conveyed 2,9m passengers a month in Port Elizabeth, was averted when the Algoa Bus Service bought the shares of Tramway Holdings (controlled by Tollgate Holdings), using loans from banks, finance houses and the Algoa Regional Services Council and started operating on 1 January 1991. Its managing director, Mr Hannes Grebe, said that subsidies were not necessary to show profits. He said, 'We rationalised our services, we retrenched 100 workers and reduced the fleet by 21 vehicles. The company will show a profit with its subsidies still in force but we must prepare ourselves to be profitable without them.' He believed that if bus companies' fares were competitive they would entice passengers back from the kombitaxis 'many commuters were paying cash fares for bus travel anyway as they could not afford weekly or monthly season tickets. 'So if we provide a reliable service, and our fare is less than the taxis', we'll get our passengers back.' PE Tramways had said that it had been losing money since 1985 as it not been able to raise fares to render the service economic because of the threat of commuter protest. Periodic violence in the townships had resulted in fluctuating rates of patronage. PE Tramways had planned to close down the service after meetings from March 1990 with the government failed to result in an offer of increased subsidies. Port Elizabeth has no significant rail commuter network or kombitaxi services. 'Â®

e Colleen McCaul

## 8. WATER

### WATER AND SANITATION

#### Problems and backlogs

Mr Mike Muller of the Infrastructure Development Group at the Development Bank of Southern Africa (DBSA) says that there is scant information about backlogs in supply by either the water or the sanitation sector in South Africa. This was the result of there being

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no single authority responsible for ensuring adequate provision of water and sanitation services for all South Africans as well as the fragmentation of government and statistical services."

However, Mr Muller has estimated the extent of the backlog. He says that piped water is usually available in the urban areas 'through full house services, yard connections or street standpipes. This situation is the exception in rural areas and concentrated 'peri-urban'

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settlements where some basic provision often exists but may be extremely far from households, and where water quality is substandard and supply is often unreliable with frequent lengthy interruptions.

Sanitation provision is inadequate in urban areas, if the objective is access to a hygienic lavatory for each family unit, because of overcrowding of single sites, even though many are served by water-borne sewerage. Mr Muller refers to a 1989 survey in which a third of Soweto householders reported extensive interruptions of their water supplies and 40% reported sewage overflows in their streets which in some cases had continued for months.

In the homelands and peri-urban areas, residents usually have access to pit latrines. Mr Muller estimates that 951 000 rural households had an inadequate water supply, and that 1 427 000 rural households had inadequate sanitation in 1985. These numbers would rise to 1 106 000 and 1 660 000 households respectively by the year 2000. The need in urban areas, assuming that water and sanitation services were needed only for new housing units including backlogs, was water and sanitation for 304 000 households annually for 20 years. If a high level of service (house reticulation with sewerage or septic tanks) was provided, he calculated that to redress the water and sanitation supply backlog in white-designated South Africa and all homelands would require an investment of R16,46bn in the ten years to the year 2000. However, providing a minimum level of service (standpipes and pit latrines in both rural and urban areas) would cost R4,8bn over ten years. Critical areas were black townships where local authority status was in dispute; newly urbanised communities in metropolitan areas; peri-urban and large, dense rural communities which fell outside the boundaries of proclaimed towns and local government areas; and true rural areas in the homelands and elsewhere.

A problem is the multiplicity of authorities involved in water supply and the lack of a single co-ordinating authority or strategy. Involved at national level, are the Department of Water Affairs, the Department of National Health, the Department of Planning and Provincial Affairs, the Department of Development Aid and the Development Bank of Southern Africa; at regional level, the ten homeland administrations, the 13 water boards and RSCs. At local level, urban local authorities and rural institutions â\200\224 tribal authorities in the homelands â\200\224 are responsible for providing water and sanitation services. The Department of Water Affairs is responsible only for ensuring that bulk supplies are available. The water boards are restricted by the requirement that their tariffs should cover costs without profits (which implies that services should be provided only to consumers who can afford market-related charges) and they are not normally allowed to supply directly to individual consumers, only to local authorities. Mr Muller comments, â\200\230This limits their ability to provide services to poor communities without effective local govern-



ment.â\200\235

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## Effects of boycotts

A side effect of the boycott of rent and service charges in African townships has been that African local authorities have in some cases been unable to pay for the treatment of sewage. In November 1990 it was reported that townships on the Witwatersrand were allowing raw sewage to flow into the Blesbokspruit, the Klip River, the Natalspruit and the Wonderfonteinspruit. These streams are all tributaries of the Vaal River. A virologist at the South African Institute for Medical Research, Professor Margareta Isaacson, said that cholera, typhoid, dysentery and gastro-enteritis could be caused by untreated polluted water.Â®

A spokesman for the Department of Water Affairs, Ms Marisa Haasbroek, said that department officials had been instructed to take legal action against local authorities responsible for polluting streams. (However, no prosecutions have been instituted to date.) She added that pollution tests were being conducted regularly on streams near townships to determine pollutant levels.

## UMGENI WATER

It was estimated in 1988 that more than 1m rural people in coastal and central Natal did not have a reticulated water supply. This area is under the jurisdiction of Umgeni Water, the bulk supplier of water, but generally not involved in final reticulation. To redress this situation, it has developed Water Plan 2025 as a basis for attempting to provide an acceptable water supply to all communities, including informal settlements, in its supply area by the year 2025. The population in the supply area would increase from 3,6m in 1985 to anything between 7,7m and 152m by the year 2025. Water would not necessarily be formally reticulated, Umgeni Water seeing as appropriate the development of springs, boreholes and local water resources in many rural areas. The plan also emphasised sanitation because water run-off from rapidly growing informal settlements with generally poor sanitation was seen as a serious source of water pollution.Â®

In terms of Water Plan 2025, announced in February 1991 by Umgeni Water, a strategy called the Rural Areas Water and Sanitation Plan has been launched to supply potable water and sanitation facilities to rural and informal settlements in its area of jurisdiction by the year 2005. The strategy was developed in conjunction with the Institute of Natural Resources and the KwaZulu administration. Work on three projects had already begun. A R100 000 pilot project at Nsongeni on the Umsindusi River near Table Mountain (Pietermaritzburg) involved 44 families. They formerly used water directly from the river, where faecal pollution levels at times reached as many as 200 times the international safety limit for bathing. Various sanitation systems would be

tested using local labour. A R2,7m water scheme at Table Mountain to supply a population of 23 000 was 80% complete and would be fully operational by mid 1991. A R1,8m water scheme was being installed in the Sweetwaters area to supply 12 000 people with water.

## UMSINDUSI RIVER

In Natal the organisers of the canoe marathon along the Umsindusi River say that faecal pollution levels in the river are extremely high and may cause the permanent cancellation of the race. In the 1991 race 90% of the competitors had to be treated for gastro-enteritis, some canoeists having to be hospitalised. The public relations

### Matter of Fact

In Social and Economic Update 12 July-December 1990 it was stated that the Metal Industries Group Pension Fund being used to promote low cost housing was jointly administered by the Steel and Engineering Industries Federation of South Africa (SEIFSA) and the National Union of Metalworkers of South Africa (NUMSA). However, we would like to make it clear that SEIFSA acts as agents for and on behalf of employer organisations which are members of the federation, other employee organisations which are involved include the following:

manager of Umgeni Water, Mr Derek Hawkins, claimed that much of the pollution originated in informal settlements upstream which had no sewerage systems. The faecal levels were seen as posing a health threat not only to canoeists on the river, but also to informal settlers who lived further downstream and who used the river water for drinking and bathing.

e Colleen McCaul

Black Allied Workers Union (SA)

Metal and Electrical Workers Union of South Africa

Iron Moulders Society of South Africa

Metal and Allied Workers Union of South Africa  
Radio, Television Electronics and Allied Workers Union

SA Boilermakers, Iron and Steel Workers, Shipbuilders and Welders Society

Steel, Engineering and Allied Workers Union of South Africa

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## 8. WATER

### ACCESS TO SAFE WATER

No recent figures are available regarding the number of people in rural and urban areas who do not have access to safe water (piped water from a water purification system). Earlier estimates showed that urban areas were generally well supplied with reticulated water â\200\224 29 out of 31 townships in the PWV, for instance, being supplied with water in 1987. This compares favourably with the situation reported in largely rural areas. For example, a

study in 1984 showed that only 17% of Transkei households had an adequate water supply. It was also estimated in 1988 that more than 1m rural people under Umgeni Water (central and coastal Natal) did not have a reticulated water supply.<sup>2</sup> However, according to a spokesman for the Development Bank of Southern Africa (DBSA) the situation, in metropolitan areas has deteriorated, largely because of increasing population densities, especially in the growing number of informal settlements.<sup>â\200\231</sup>

e Ahmed Jooma

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supply. When they are removed, rivers that once flowed perennially now alternate between drying up completely and flooding. The flooding is physically destructive and [the] desiccation disastrous for man and beast (156: 12). When the soil is laid bare, floods can remove a hundred years of precious topsoil in a day. This leads to silting of river bottoms, thus preventing the rocky bed from aerating the water. This, in turn, harms the bacteria which would otherwise purify the water (156: 12). In these ways the disappearance of natural vegetation, whether as food for hungry cattle and goats or as fuel for cooking and warmth, has led in turn to the disappearance of clean drinking water from much of the country.

## Water

Without clean drinking water, life can be very precarious. In one Venda village in the northern Transvaal it was reported that in the twelve months preceding a survey in 1982, ten of the thirty babies born to 86 households had died (64: 12). From comparison with another village which had access to uncontaminated water piped from sealed fountains and where no babies died, it seems reasonable to conclude, even from so small a sample, that the purity of the water significantly affected the children's health. In KwaZulu, a dietician who travelled the length and breadth of the reserves in order to describe conditions and health status in different parts, commented again and

again on how muddy and dirty the water was. One lady, writes Nomusa Ndaba,

whose house I went to at Esikhawini near Empangeni, showed me pure mud in a glass jar. She was waiting for all the dirt to form a sediment so that she could use the top part. The alternative was walking over a kilometre to fetch water from one of the

location houses. She was at the time highly pregnant and to have to carry a heavy bucket of water for that distance in the scorching February sun must be absolutely terrible. She showed me some of the places where they fetched water, fountains in the middle of their banana plantation. It was plain mud; the situation is made even worse by the fact that people have cattle and that is where they drink. (206: 38)

In the Mhala district of Gazankulu in the eastern Transvaal there was found to be an average of one water tap for every 760 people. This contrasts somewhat starkly with the statistic of two or three taps per inhabitant in the middle-class metropolitan homes in which most white South Africans live. In Mhala South, half of the 25 villages had no access to clean water (192: 3). Several hundred miles further south, in the Chalumna area of the Ciskei, between Grahamstown and East London, a detailed study of 19 villages showed that 90 per cent of the households drew their water from sources unprotected from cattle and other stock. The problem of contaminated drinking water is widespread throughout the country, and, at the same time, infant mortality rates in the rural areas are high. Indeed, for Africans in the as a whole, they are considerably higher than in various other parts of Africa.

One of the most striking features of poverty in South Africa is the cost, to

## Earth, fire, and water 49

the poor, of water (which is by no means always clean) in terms of time, effort, and money. In the Ciskei, for example, a study of three widely separated villages showed that the average household spent 187 minutes more than three hours every day fetching and carrying water (261: 13). The effort too is considerable. In the 19 villages of Chalumna in the Ciskei research showed

that the energy expended in the average walk to the homestead carrying a container of water (weighing 21 kg) was equivalent to that used by miners wielding a pick, rather more than the energy needed in mixing cement. For one village, the hill up from the water was so steep that the energy expended (for the duration of the journey) was equivalent to that needed in cross-country running. The average one-way journey from homestead to the water supply was 15 minutes, ranging from a low of 5 minutes to a high of 40 minutes. In other parts of the country the time spent was mainly in waiting. In Lebowa during the height of a drought in the winter of 1983 people were found queuing in the middle of the night at the village pump as the only way of ensuring that they obtained water from a borehole that filled slowly.

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Somerset East

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Fig. 2.04: Number of persons per water tap in eastern Cape African townships, 1983 (147: 4)

Even more striking than the time or energy spent in collecting water is the amount of money that poor people in some parts of the country have to spend to obtain it. In one small eastern Cape town, not far from Port Elizabeth, it

"was found that although there was water laid on to the black township it was

brak and undrinkable. Buying fresh water from a distant source cost R1.70 for a 44-gallon drum, equivalent to R8.40 for 1 000 litres (Roberts, 1984). This was exactly 28 times as much as it cost middle-class householders in Cape Town for the fresh water flowing out of their kitchen taps. In rural KwaZulu, close to the largest fresh-water lake in Africa, in the area of Mseleni where three out of every five women over the age of 30 suffer from a crippling and

50 ;  
painful form of progressive arthritis, nearly two-thirds (60 per cent) of the households were more than a one-hour round trip from water. For those too

disabled to fetch their own, the cost of buying water was also 28 times that for urban healthy and wealthy families (191 and 288). But the worst area of all was found in Gazankulu in the northern Transvaal where, in some areas, water cost 50 cents for a 25-litre drum; that is, 67 times as much as the tap water in Cape Town suburbs at the time (67: 17). This means that if well-to-do people were using 200 litres of water a day and very poor people in Gazankulu were using 20 litres each for drinking, cooking, and washing, then the amount of hard cash spent by each person on water every day would be 6 cents for the rich and 40 cents for the poor: seven times as much for using only one-tenth of the water. Poverty, as Mary-Jane Morifi remarked in another context, can indeed be expensive (33: 3; see also Biko in Arnold, 1987: 143).

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Daily per capita consumption in litres

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Source: 147: 4-5

Fig. 2.05: Daily water consumption per person in the eastern Cape, by colour-caste and area, 1983

It would be misleading to suggest that the supply of clean drinking water is a problem in all black communities. In Soweto and many other townships the formal, state-built houses all have at least a cold-water tap inside. And in the rural areas both on farms and in the reserves there are many homesteads with reasonably adequate supplies. In the peri-urban areas the situation varies a good deal but here too are places where supplies are considered reasonable. Indeed one study found that in the area between Sundumbili township and the Isithebe factories north of Mandini in Natal the access to clean piped water is seen as a great benefit of living in the area. Nevertheless it is fair to say that the overwhelming mass of evidence points to the lack of adequate supplies of clean drinking water as a major problem facing black communities throughout the rural areas of South Africa, particularly but not only in the reserves. From Bendell north of Kuruman to KwaZulu in the east, the story was the same: â\200\230We need water.â\200\231

## Earth, fire, and water 1

Yet, as with energy, the fundamental problem is not so much an absolute lack of water for the people but rather a question of its distribution. In the Transkei, for instance where, during the drought, women were reported to be walking anything from 4 to 12 kilometres to fetch water (149: 11), Muller notes that only 7 per cent of usable water, from the rivers, was currently being consumed (or only 1 per cent if one includes extractable underground water).

Once again access and distribution seem to depend on a combination of geography and colour-caste. This fact was highlighted by a study in the eastern Cape which showed that the daily per capita consumption of water within one part of the Ciskei averaged 9 litres, which compares unfavourably with the World Health Organisation's goal of 50 litres per person per day. In the smaller towns of the eastern Cape platteland, Stone reported the per capita consumption in the black townships was 19 litres â\200\224 double that in the reserves, but still only a fraction of the white per capita consumption of 314 litres. In the metropolitan area of Port Elizabeth black consumption rose to 80 litres but was still well below the white daily average of 200 litres (147: 5-6).

It so happened that the second Carnegie Inquiry, like the first one, fifty years earlier, collected most of its evidence during a period when the country was held in the grip of a fearful drought. As in the 1930s, so in the 1980s, one consequence of drought is to make visible the accumulated vulnerabilities and weaknesses of life in rural areas, which otherwise lie hidden from view. For those living on the land in South Africa the drought of the early 1980s was a frightening thing. The consequence of decades of pressure, due to bad farming, overgrazing and (in the reserves) intolerable population density on the rural areas of the country, became even more apparent. Agricultural labourers lost their jobs and were pushed from the land as farms wilted under the harsh sun; rivers which had never failed dried up and the army had to be called in to transport water to parched communities, both urban and rural. Cattle into which poor men put their life's savings died in their thousands; the subsistence crops and indigenous plants which for many people were the only buffer

against starvation shrivelled. The drought of the early 1980s may be the last warning South Africa receives about the urgent necessity of undoing the long chain of events outlined in this chapter. In that drought inhabitants of one of the few countries in the world that exports food, lived in fear of famine, which hovered over parts of the land (67: 9). Next time it may descend.

City Engineer S Department of Cape Town, ensuring not only the adequate provision of services now but also wrestling with the implications of the projected population growth rates in their rural areas?

The whole problem of sewage disposal; the need for proper planning and for the allocation of adequate funds by the state; and, underlying all this, the necessity for the poor to obtain effective political power to ensure that ro

things are not overlooked or skimmed â\200\224 all of this serves as a case study

illustrating the basic requirements of a wide range of infrastructure, which is an urgent priority from the point of those enduring poverty in South Africa What is true of sewage disposal is true also as regards the provision of clean

drinking-water and of basic energy requirements, to say nothing of housing .

oe other general amenities, both in urban and in rural areas. Political power oe at the grassroots, proper planning, and the allocation of state funds are three basic requirements to ensure an adequate infrastructure.

Water

We have already seen how acute the problem of clean drinking-water is in many different parts of the country, whether in the Mhala district of the eastern Transvaal with one tap for every 760 persons, or in northern Natal-KwaZulu with disabled people having to walk an He to fetch water. or in the Ciskei with the average person in the Chalumna district any only 9 litres per day, less than one-fifth the minimum recommended b i World Health Organisation for basic cooking, washing, and drinkin a with each passing drought the country gets closer to that awful we be ord which there simply is no water for people to drink at all, so they must a (if they can) or die. At the time of the last major drought in the mid-1980s a communities had already gone over that edge, and were saved only b 5 army bringing in huge tankers of water every day. This happened a areas, as in parts of the Ciskei, and in some of the informal urban settlements for example in KwaZulu around Durban. The irony of the situation w compounded by the fact that in some places the supply of water act ly improved during the drought. in

; Some indication that the extent of the water crisis has penetrated to th higher councils of state may be seen in the new dams being built, for exam ; on the Keiskamma and Tyhume rivers. But the provision lags or behind need, and there is no indication of anything like a comprehensive lon i plan for water outside the major metropolitan areas and the towns a white voters have enough power to ensure that adequate provision is mad But for those areas which have grown more as a result of enforced lan or because of the anti-urbanisation policies which prevented people i settling nearer to town and where there is little economic SS thei > Pe of water supplies is acute. i

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quate infrastructure

to ensure ready access to clean drinking-water for all. But there is a second less important, but more hidden dimension whichâ\200\231 arises from a a

of drought with the ecological devastation wrought Dy elCIAUOLL On wat farming and ggergrazing (both in the white-owned farming areas and in the communally reserves) and by the cutting down of trees and other forms



of vegetation in order to provide fuel. The impact of drought, when hundreds of thousands of beasts die, is a sharp (but unheeded) reminder of the fragility of the balance between people, animals, and the natural environment.

The history of the country is littered with the reports of carefully conducted commissions of inquiry into drought, with recommendations for appropriate action and, indeed, with actual legislation to promote conservation. Almost all of it to no avail. Ecological devastation continues apace. And with it grows the need for action. Perhaps nowhere is the need for a restructuring of the South African political economy more apparent than in this ongoing massive haemorrhaging of its ecological life-blood. Soil conservation, afforestation, and protection of springs and catchment areas, all require systematic and sustained action. A fundamental component of any programme of reconstruction in South Africa must be to stop the bleeding, to rebuild the soil, and to renew those resources of ground cover and trees, without which springs will run dry and the encroaching desert will engulf us all (see Bruntland report, 1987).

Of course, even in the field of water affairs not everything requires central or local government action. In many situations there is scope for non-governmental initiative. This is particularly true in rural areas, where experience in the Transkei and elsewhere has shown the considerable potential for well-organised but simple initiatives making a great difference to the quantity and quality of water readily available for household and even for the vegetable-growing needs of poor households. But this takes us into the whole field of integrated rural development. In the South African context such development is best located within the paradigm of non-governmental action, well removed from the paralysing contradictions inherent in â\200\230developmentâ\200\231

undertaken by government departments functioning as executive arms of the policy of â\200\230independent black national statesâ\200\231 (which are themselves trapped in

the under-developing periphery of the South African political economy). We are not arguing that the state, even in its present undemocratic and apartheid-obsessed form, should not be reminded of its responsibilities or pressurised where possible into providing more infrastructure. The state, whether it is democratic or not, has the obligation to ensure that all those who live within it have clean drinking-water, and it needs constantly to be reminded of its

responsibilities. But what we are suggesting is that the real scope for action at this stage in our history lies in the realm of non-governmental initiative. There is much that could be done, not only to improve the water position but also to strengthen the capacity and cohesiveness of impoverished rural communities

(PCS 12).

## Energy

After water, indeed sometimes even before water, the need expressed most keenly by poor rural families (see PCS 12: 12) is for firewood or some form of

The delegation announced afterwards that the Soweto City Council had agreed to halt evictions and dawn raids on homes for non-payment of rent. It also said that Mr Mkhwanazi had assented to the suggestion that the revenue which the council had lost as a result of the rent boycott should be written off. The council agreed to meet the delegation in 1989 to discuss whether some residents should be awarded the ownership of their houses and what type of rent and service charges should be paid in future. In the interim, Mr Chikane said, residents of Soweto should not pay any rent.'Â® :

In February 1989 it was reported that a second meeting between the delegation and the Soweto City Council would be delayed until March 1989. The delegation said in a press statement that it was â\200\230seriously disturbedâ\200\231 by the delay and it urged the council to abide by the decisions reached at the December meeting. It was alleged that the government was unhappy about the meeting between the community leaders and the council, and that government officials were exerting pressure on Mr Mkhwanazi to renege on the agreement.

In the same month the Lekoa Town Council sent a memorandum to the National Housing Commission (NHC) proposing that rent be abolished in the older parts of the townships under its jurisdiction and that service charges be reduced. The council agreed to charge residents R38 a month for services and not to charge for rent until it had received a reply from the NHC.'Â¥

In March 1989 the Soweto delegation released a report on proposals for ending the rent boycott. The document, which had been drawn up by Planact, a private body advising community groups on environmental matters, recommended that there should be a single tax base for Soweto and Johannesburg. â\200\230The structural separation of Soweto from Johannesburg lies at the root of the formerâ\200\231s financial crisis. No long-term solution will be found as long as Soweto is treated as a separate â\200\234autonomousâ\200\235

city,â\200\235 it said. The document claimed that for decades the residents of Soweto had through their labour and spending power effectively been subsidising Johannesburg. While the report said that the â\200\230final callâ\200\231 was for a single city comprising both Johannesburg and Soweto, it proposed an interim solution whereby a proportion of Johannesburgâ\200\231s municipal funds be transferred to Soweto to subsidise service charges, which were unaffordable to most Soweto residents at present rates.â\200\231

The Planact report recommended that:'Â®

o all debts in respect of rents, electricity, water and bridging funds should be written off;

e â\200\230old housesâ\200\231 should be transferred to their occupants free of charge;

e a sliding scale should be drawn up to determine the rent and service charges to be paid for the remaining houses;

Â© a trust fund should be established out of the revenue derived from the recent sales of houses, which would be used to finance the building of new housing units;  
e the quality of services provided to Soweto should be improved; and

## INFRASTRUCTURE 213

e the principle of the â\200\230apartheid cityâ\200\231 should be abandoned, th



jobs, whilst undertaking investment that would both substantially improve the quality of life for all people, especially the poor, and also be the necessary engine to power further growth in the economy. We turn in this section to consider some of the infrastructural investment that is required.

## Sewerage

Perhaps the most vivid illustration of the necessity for political power in

any serious strategy by the poor against their own poverty is to be seen in somewhat murky area of sewage disposal. As we have seen, there is evidence from all corners of the country about the chronic failure of local authorities to plan an appropriate infrastructure for the dense concentrations of working class people not only in the towns, but also in the resettlement and peri-urban areas. There is no doubt that the basic infrastructure for sanitation is woefully inadequate in South Africa and also that such systems as have been installed are not properly maintained by the appropriate authorities. And this is primarily because the political structures which make authorities responsible to the broad wishes and needs of the people they have been created to serve simply do not exist. This point is further highlighted by the fact that urban sewage disposal works, which can be exceedingly smelly at certain times of the day, tend to be situated in places where they are far more likely to affect the poor and powerless rather than the rich and powerful in the society. In Capetown, for example, the smell of sewage disposal afflicts blacks far more than whites, as the inhabitants of Langa and Athlone can testify all too pungently. Democracy has many disadvantages but it is surely a less messy alternative for bureaucrats and politicians to be subject to the final authority of people at the grassroots than for it to be necessary for residents to start dumping buckets of excrement at local council offices, leading police to fire rubber bullets, birdshot, and tear gas to disperse rampaging youths. This happens

in Duduza township on the east Rand early in 1985 after all attempts to get the authorities to do something about the intolerable sewerage conditions in the township had failed (Cape Times, 19.2.1985). Of course, the fact that the society has a democratic government does not necessarily guarantee the appropriate and necessary infrastructure will be laid down for those who most need it, as the appalling slums of many modern democracies testify all too bleakly. To achieve results, poor communities have to mobilise effectively as political pressure groups. Whilst such work can only be really effective in a democratic society, it is nevertheless sometimes possible, even in an authoritarian state such as South Africa, to find ways of organising to pressurise the state into making some move towards fulfilling its obligations. But, of course, it is exceedingly difficult as the massive clampdown since 1985 has made all too plain.

Water-borne sewerage is a minimum requirement in all urban areas and other densely settled areas such as Onverwacht in the Orange Free State or Sada in the Ciskei which cannot be classified as urban in the sense of having a local economic base, or rural in the sense of being in an agricultural environment with adequate space for pit latrines. One of the most

extraordinary sights in recent years has been the vision (which we have seen in any parts of the country) of hundreds of tin lavatories sprouting like mushrooms in an otherwise empty space that has been earmarked for dense resettlement. For the more rural areas, the simple but revolutionary new design, incorporated in the ventilated improved pit (VIP) latrines which are odourless and fly-free, has the potential for local communities to sort out the problem themselves. This has been well demonstrated in the Elim district of the northern Transvaal. We would go a step further and argue that such local initiatives against poverty could be strengthened by carefully structured state support which made them part of a public works programme, thus enabling those building the latrines also to earn some money for their work. For the rest, besides encouraging communities to seek ways and means of organising themselves politically at the local level into pressure groups, we can do no more than highlight three fundamental flaws in local government which the present sewerage mess shows up all too clearly.

â\200\234First is the fact, already discussed, that people living in these communities

L have no political power; no say in national planning; no influence in central

government decisions regarding the allocation of the budget; no power to create their own appropriate local government structures.

The second flaw is current government policy of trying to ensure that as far possible each local area pays for its own amenities. Some politicians try to dress this policy in a flimsy tissue of suggestions that it is all part of ecentralisation and of empowering local communities. It is nothing of the sort, and its naked selfishness should be seen for what it is. For, it is a fundamental principle of public finance that the money raised through taxation, by the central government, belongs equally to all those who live ithin that society. At a regional, say city, level that principle is maintained. us rates and taxes are levied for the common good, and it is generally ccepted that wealthier areas, with higher rates, will help to pay for basic menities in poorer areas of the same city. In particular the rates and taxes erived from the local economic enterprises in the central business district and sewhere are part of the common wealth. Thus to carve off the poorer parts fthe city (which have been demarcated by the Group Areas Act) and require them to pay for their own services, as is often the case, is simply an expression fcalculated selfishness by the rich and powerful (in this case, whites), which lis' bitterly resented by the poor. :

The third flaw arises from the anti-urbanisation policy of recent years. This as resulted not only in deliberate curbing by government of expenditure on ousing and other urban infrastructure in an attempt to discourage people moving to the cities, but has also led, possibly as an unintended consequence, o the mushrooming of vast, dense settlements in places such as Winterveld north of Pretoria, or Inanda near Durban, or in remoter areas such as Qwa Qwa, where there simply is no local government structure adequate to undertake all the immediate administrative tasks, let alone the long-term planning, required in areas where population is the size of a small city. Where in Onverwacht, for example, is the equivalent of the Rand Water Board or the

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City Engineerâ\200\231s Department of Cape Town, ensuring not only the adequate provision of services now but also wrestling gwith the implications of the projected population growth rates in their resi @ive areas?

The whole problem of sewage disposal; the need for proper planning and for the allocation of adequate funds by the state; and, underlying all this the necessity for the poor to obtain effective political power to ensure that a things are not overlooked or skimped â\200\224 all of this serves as a case study

illustrating the basic requirements of a wide range of infrastructure, which is an urgent priority from the point of those enduring poverty in South Africa

What is true of sewage disposal is true also as regards the provision of clean .

drinking-water and of basic energy requirements, to say nothing of housin and other general amenities, both in urban and in rural areas. Political down at the grassroots, proper planning, and the allocation of state funds are three basic requirements to ensure an adequate infrastructure.

Water

We have already seen how acute the problem of clean drinking-water is in many different parts of the country, whether in the Mhala district of the -

eastern Transvaal with one tap for every 760 persons, or in northern Natal-KwaZulu with disabled people having to walk an hour to fetch water or in the Ciskei with the average person in the Chalumna district i only 9 litres per day, less than one-fifth the minimum recommended b i World Health Organisation for basic cooking, washing, and drinking. with each passing drought the country gets closer to that awful Er be ee which there simply is no water for people to drink at all, so they must i (if they can) or die. At the time of the last major drought in the mid-1980s some communities had already gone over that edge, and were saved only by the army bringing in huge tankers of water every day. This happened a areas, as in parts of the Ciskel, and in some of the informal urban settlements for example in KwaZulu around Durban. The irony of the situation compounded by the fact that in some places the supply of water actuall improved during the drought.

: Some indication that the extent of the water crisis has penetrated to the higher councils of state may be seen in the new dams being built, for example on the Keiskamma and Tyhume rivers. But the provision lags a behind 2 need, and there is no indication of anything like a comprehensive plan for water outside the major metropolitan areas and the towns whose white voters have enough power to ensure that adequate provision is made But for those areas which have grown more as a result of enforced removal : or because of the anti-urbanisation policies which prevented people fr 5 settling nearer to town and where there is little economic a ee pe of water supplies is acute.

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to ensure ready access to clean drinking-water for all. But there is a second less important, but more hidden dimension which arises from a aL

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farming and Qn (both in the white-owned farming areas and in the communally Mi reserves) and by the cutting down of trees and other forms of vegetation in order to provide fuel. The impact of drought, when hundreds of thousands of beasts die, is a sharp (but unheeded) reminder of the fragility of the balance between people, animals, and the natural environment.

The history of the country is littered with the reports of carefully conducted commissions of inquiry into drought, with recommendations for appropriate action and, indeed, with actual legislation to promote conservation. Almost all of it to no avail. Ecological devastation continues apace. And with it grows the need for action. Perhaps nowhere is the need for a restructuring of the South African political economy more apparent than in this ongoing massive haemorrhaging of its ecological life-blood. Soil conservation, afforestation, and protection of springs and catchment areas, all require systematic and sustained action. A fundamental component of any programme of reconstruction in South Africa must be to stop the bleeding, to rebuild the soil, and to renew those resources of ground cover and trees, without which springs will run dry and the encroaching desert will engulf us all (see Bruntland report, 1987).

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(PCS 12).

## Energy

After water, indeed sometimes even before water, the need expressed most keenly by poor rural families (see PCS 12: 12) is for firewood or some form of

#### Electricity

During 1989 Eskom continued with its 'electricity for all' campaign, which had been launched in August 1987 (see 1988/89 Survey p215). The campaign involved the establishment of joint-venture initiatives with local authorities. However, the negative attitudes of African local authorities and problems experienced in finding suitable institutional frameworks were said to be hindering the implementation of the campaign. 33

In June 1989 the minister of constitutional development and planning, Mr Chris Heunis, said in Parliament that there were 208 African townships in South Africa where 70% or more of the households were without an electricity supply. Of 259 townships mentioned by Mr Heunis, only nine had been fully electrified. In each province, the following number of townships had less than 10% of their households electrified: Cape province, 68 out of 89 townships; Natal, 15 out of 20; Orange Free State, 63 out of 70; and the Transvaal, 39 out of 80.% }

In May 1989 Eskom announced that it had submitted proposals to the administrator of the Transvaal for the 'normalisation' of the supply of electricity to Soweto. Soweto was already more than 70% electrified, but as a result of the rent boycott (see Rent boycotts below) and reluctance on the part of the residents to pay service charges, Eskom had received little income from Soweto since the start of the boycott in June 1986.% Eskom said that it had found that the non-payment of electricity charges was not 'politically motivated' as was the boycott of rents, but

that residents of Soweto were reluctant to pay as they believed that electricity charges were higher in Soweto than in Johannesburg. It said that the 'normalisation' of the electricity supply would require the upgrading of infrastructure, the setting of an affordable tariff and 'community participation'. According to Eskom, to achieve viability the new system would have to be subsidised or the cost of the bulk purchase of electricity would have to be reduced.% 235 ?

One proposal to reduce the cost of electricity to Soweto was to link

the supply infrastructures of Soweto and Johannesburg. The linking would have 'an ameliorative effect on the load curves', ie the difference between the peaks and troughs of demand (which affects the tariff)

would be reduced. Soweto, which had a large disparity between peak and

minimum demands because of the chiefly domestic nature of consumption, would save between R1m and R2m each month. However, at the time of writing the Johannesburg City Council had not responded to this suggestion.Â®Â® :

In August 1989 the manager of the engineering group at Eskom, Mr Peter Spencer, argued that South Africa would have to invest in nuclear power stations if electricity needs projected for the next 50 years were to be met. He pointed out that already by the year 2020, the country's popu-

lation would reach 80m. Mr Spencer said that the country's coal reserves were sufficient only for energy needs for another 30 years. 'But the time will come when we will have to look at another source of energy' and the only economical alternative is nuclear,% he maintained.\*

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In September 1989 the Alexandra Town Council (Johannesburg) opened an electricity information centre in the township, offering a free advisory service to residents about the use of electricity. It was reported to be the first service of its kind in an African township.% 235



In October 1989 the Soweto City Council introduced a new water and electricity metering system in newly built houses in Protea South, which were occupied mainly by civil servants. The meters measured consumption of both water and electricity, which were supplied only after the home owner had inserted a prepaid plastic card. The cards were obtainable from council offices. The council was alleged to have introduced the system to break the boycott of rent and service charges, and it was considering introducing the metering system in other areas if it was successful in Protea South.â\200\235" :

It was reported in February 1990 that the KwaNobuhle electricity supply company, which comprised companies in the Midlands Chamber of Industries and Eskom, was to expand its supply of electricity in

. KwaNobuhle (eastern Cape) by means of prepayment devices (see 1988/89 Survey p214). The scheme had been opposed by local representatives of the Congress of South African Trade Unions (COSATU). By the end of 1989, 1 100 prepayment meters had been installed in KwaNobuhle, and another 250 households had applied for such meters. There were about 17 000 houses and shacks in the township.

Social and Economic Update 9 reported in March 1990 that Eskom was proposing that a new entity, to be known as Econolec, should be established to oversee the supply of electricity to Soweto, including the upgrading of the electrical infrastructure, the implementation of a customer service system and the reorganisation of the accounting system to allow for direct individual billing. It was expected that Econolec would secure supportive finance from the Development Bank of Southern Africa and the Central Witwatersrand Regional Services Council. Eskomâ\200\231s proposals had been put to the Soweto Peopleâ\200\231s Delegation (see Rent Boycotts below) for their comment.â\200\235 Sar

In April 1990 Eskom said that the following numbers of houses in African townships in South Africa (excluding the ten homelands) had been electrified: at the end of 1985, 636 544 houses; at the end of 1988, 688 656 houses; and at the end of 1989, 698 988 houses.â\200\235 In May 1990 an

Eskom spokesman said that it would cost about R6bn to lay on the supply of electricity to about 20m people in the country who did not have electricity.â\200\235

In 1988/89 the Department of Water Affairs approved subsidies totalling R1,6m for five sewerage schemes in African areas and R12,8m for 25 sewerage schemes which were shared by African and white areas.â\200\235

In 1988/89 regional services councils in the Transvaal budgeted to spend the following amounts on water works: Bosveld, R70 000; Central Wit-

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conditioned by who the victims were and who it was that made them victims.

How deeply worrying that our human solidarity should prove to be so fragile and

the instinct to respond even to massive human tragedy on the basis of â\200\234â\200\230othernessâ\200\231â\200\231 SO persistent a malaise.

And what is it but that same bane Ofc

its horrible forms possible? Whether as pra

| or by misguided zealots in many a troubled roots in alienation. Both its ends and its means repudiate our oneness and therefore our humanity. Ironically, in Ireland, the last two decades, in which a real effort has been made to respond to ancient grievances, have seen a counter upsurge of sickening, barbaric violenceâ\200\224yet one met increasingly by the most amazing

schoolfriends of a girl

othernessâ\200\231â\200\231 that makes terrorism in all cticed by the state, as in South Africa, region of our world, terrorism has its

; and they urged a change of heart from their elders. Surely all this shows that the time for â\200\230â\200\234â\200\230othernessâ\200\235â\200\231 in Ireland has passed; that it is time for forgiveness to prevail over the dogma of difference; for impulses of understanding to reach across the borders of the mind. }

Despite all our human progress, unless we lift this curse of â\200\230â\200\230othernessâ\200\231â\200\231 from

our civilisation we canâ\200\231 never fulfil our human potential; we shall not further , as

we should, our human development. It is so vile a curse that mere whispered disapproval of its excesses comes close to acquiescence. Recently, when Archbishop Trevor Huddleston was asked on his 75th birthday, after a life-time of standing tall against apartheid, about attitudes to South Africa, he said that what troubled him most was the absence of anger: given the enormity of the crime that apartheid is, mere sadness could not suffice as a human response. That really is the heart of

the matter: that out humankind, in a kind of complicity with â\200\230â\200\230othernessâ\200\231â\200\231, finds

ven massive wrongs committed in the name of

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â\200\234â\200\230othernessâ\200\231â\200\231, when the victim is perceived as someone elseâ\200\224the other. Yet the lessons of history are so clear that each and every one of us is in time a victim of such wrongs. Remember the anguish of Pastor Niemöller, eventually himself a victim of the Nazis: he had failed to speak out when they came for the Jews, when they came for the communists, when they came then for the trade unionistsâ\200\224because he was not one of them; but then they came for him; and there was no one left to speak out for him. !

Over a century and a half ago when Wilberforce and the Anti-Slavery Movement crusaded against the most abhorrent of inhumanities, they did not lack for anger. The â\200\230Evangelical Saintsâ\200\235 of the Clapham Sect did not whisper their revulsion or conceal their passion. They attacked the â\200\230â\200\234â\200\234othernessâ\200\231â\200\231 of slavery root and branch:

i 0 succeeded him, Zachary Macaulay,

James Stephen, Thomas Clarkson and the spoke in Parliament. â\200\234â\200\230Am | not a man an of those held in bondage in the name of â\200\234â\200\230othernessâ\200\231â\200\231.

Their passion and their  
anger against slavery kept a candle burning for humanity. By their refusal to  
acquiesce and the eventual victory, they helped to soften the judgement of history  
on the generation that permitted slavery. Reviled as he was by the establishment

for most of his life, Wilberforce, at the end, on a motion by both Houses of  
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it were, all over again the need for passion and anger a  
Why is apartheid for all too many  
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July, 1988

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Human rights and the development of  
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1988 CHEC (Commonwealth Human Ecology and Law)

Justice RS Pathak, Chief Justice of India, at the  
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International and Comparative Law, on 4 July 1988  
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ideal state. Man in his ideal state implies Man in the full enjoymen of all the dimensions of his personality, the integrated, the complete individual. Nature in her ideal state would mean nature existing in all the abundance of her boundless energy and richness, in the fullness of her genetic diversity and quality. To achieve the vision of this ideal relationship between Man and Nature, it is apparent that the political, social and economic order must, on the one hand, promote the conditions most conducive to the development of the human personality and, on the other, to ensure the protection of the natural environment.

It is to provide for the full development of the human personality that the Â° concept of human rights has been evolved. A brief discussion on human rights may be desirable at this point in order to appreciate the relationship between human rights and the natural order and the place of that relationship in the Indian context.

The concept of human rights has its origins in medieval European moral and political theory. In an analytical essay in the publication And Justice For All, Hugo Adam Bedau finds the idea firmly established during the seventeenth century

in the writings of Hugo Grotius and in the philosophy of John Locke. Quoting from still another philosopher, he defines the essence of the concept as followsâ\200\224

One ought to be able to claim as entitlements (that is, as human rights) those minimal things without which it is impossible to develop oneâ\200\231s capabilities and to live a life as a human being.

In one particular or another, these minimal, norms have been mentioned among the rights enumerated in the constitutional instruments of different nations, and their strands can be discovered even earlier in the enunciation of principles in some major historical documents. Perhaps one of the earliest comprehensive lists of human rights recognized by national constitutional law is the Bill of Rights appended to the U.S. Constitution.

The movement for the recognition of human rights received its greatest stimulus from the revulsion produced in the civilized world by the atrocities practiced by the Nazi regime; and after the Atlantic Charter of 1941 and the Dumbarton Oaks Proposals, the Charter of the United Nations signed in 1945, on the conclusion of the war with Germany, specifically reaffirmed faith in â\200\230â\200\230fundamental human

rightsâ\200\231 and â\200\234â\200\230in the dignity and worth of the human person.â\200\231â\200\231 On 10 December

1948, the UN General Assembly unanimously adopted the Universal Declaration of Human Rights. It contained an elaborate list of human rights proclaimed by the UN General Assembly to be â\200\234â\200\230a common standard of achievement for all

1 peoples and all nations.â\200\231â\200\231 Then followed two Conventions in 1966 which has been

drafted by the Human Rights Commission, the International Convention on Civil and Political Rights and the International Convention on Economic, Social and Cultural Rights. Increasingly over the years, a shift was becoming apparent from the original content of the concept of human rights. Where human rights were confined originally to civil and political rights, they now included also economic, social and cultural rights. And where formerly human rights were seen as individual rights only, they were now being regarded also as collective or group rights or the

rights of an entire people. These two extensions in the conceptual content of human rights have become extremely relevant to the aspirations of developing countries and the needs of the Third World; and we shall presently see how profoundly they affect the issues arising in this Lecture. The developments in the

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â\200\234heman right jurisprudence became so important that in 1968, at the International

Conference on Human Rights at Tehran, it was statedâ\200\224

In our day, political rights without social rights, justice under law without social justice, and political democracy without economic democracy no longer have any true meaning.

Today it is generally accepted that there is a close relationship between civil and political rights on the one hand and economic and social rights on the other. What is also significant is that economic and social rights pertaining to groups, and not merely to individuals, are now regarded as human rights. In his essay on â\200\234The International Law of Human Rights in the Middle Twentieth Century,â\200\235â\200\231

John P Humphrey, who served as Director of the Division of Human Rights of the United Nations from 1946 to 1966, summed up the developments as followsâ\200\224

The principal characteristic of the twentieth century approach to human rights has been its unambiguous recognition of the fact that all human beings are entitled to the enjoyment not only of the traditional civil and political rights but also of the economic, social and cultural rights without which, for most people, the traditional rights have little meaning. One of the chief claims of the Universal Declaration of Human Rights to a place in history is its recognition of this simple truth. The United Nations, however, has always recognized that there is a difference between what can be expected from States in the implementation of economic and social rights and in the enforcement of civil and political rights. The former are looked upon as programme rights, the implementation of which is to be progressive. This is particularly true of economically underdeveloped countries with large populations to feed, which can hardly be expected to guarantee the immediate implementation of all economic and social rights.

As we shall note later when discussing the constitutional position of human rights in India, this last comment is of great significance. And then Humphrey follows with an equally pregnant observationâ\200\224

Although the two kinds of rights complement each other, they often come into conflict. The dichotomy is closely related to the one between individual and collective rights. In the United Nations, when the Universal Declaration of Human Rights was adopted, first importance was still given to the rights of the individual as such. The present tendency is to give more importance to the rights of groups and of the collectively, sometimes to the disadvantage of the individual.

The superior claim of the group or of the collectively over the claim of the individual is a feature now common to most welfare States of the Third World, including India.

The Constitution of India was drafted during the years 1946 to 1949, and it was finally adopted and enacted on 26 November 1949. In keeping with the promises made by the national leadership during the struggle for independence, it was intended, as the Preamble of the Constitution declares, to secure social, economic and political justice, besides liberty of thought, expression, belief, faith and worship, and equality of status and of opportunity. These are all human rights; and it will be recalled that when the Constitution was under preparation in India, the Charter of the United Nations had already been signed and the Universal Declaration of Human Rights had been publicly proclaimed. Besides the reference, to human rights, the Preamble to the UN Charter spoke of \*â\200\230social progress and better standards of life,â\200\235â\200\235 and of â\200\230â\200\230the economic and social advancement of all



peoples, and the Universal Declaration of Human Rights likewise carried that

import. In the drafting of the Indian Constitution, much regard was also addressed to other national constitutions, including that of the United States. In the result, the Constitution of India is more than a political document. It is a powerful social and economic document which seeks to satisfy the aspirations of the people

of a vast country, a country with a population then of over three hundred and

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fifty million, (now over eight-hundred million) a majority of whom

live on a line, with hardly any significant development, up to a

few people living in its villages. ; . i >

On the relationship of human rights in India

human ecology, it is necessary to concentrate on two Parts of the

Part III and Part IV. Part III sets forth a number of Fundamental Rights

So the heading 'Fundamental Rights.' Article 13 prohibits the

enacting any law which abridges the Fundamental Rights and any law

which is regarded as void. Article 14 speaks of the right to equality

+ the protection of the laws; and the doctrine of equality before the law

Article 15 and 16 to specific areas, such as public employment

and freedom of speech and expression, etc.

Article 17, of free movement throughout the

territory and settle anywhere in India, and the right to

profession; or to carry on any occupation, trade or business

are subject to reasonable restrictions in the interest

of the nation, such as public order or morality, etc.

Article 20 of the particular fundamental right. The right

against exploitation, the right to work, to just and

reasonable conditions of work, etc.

Article 21. But a fundamental right is not absolute

Article 22 says: 'No person shall be deprived of his life or

personal liberty except according to procedure established by law.'

In the Indian Republic, the Supreme Court has

in a view of this provision, and in *Gopalan v State of Madras*

it held that the deprivation of life here meant the right to live.

The Court invested the Article with a far-reaching meaning

Article 21 life means the right to live with the meaning of quality of life

Article 21, so that a

person is not wrongfully deprived of the quality of life

in the case of

the Court for relief. The first case was

*Gopalan v State of Madras* and *Menaka Gandhi v Union of India*

SC 597 and the new construction was applied in *Francis v Union of India*

the Court in *Francis Mullen v Union of India*

the right to life enshrined in Article 21

observed that the right to life is

the right to live with the basic necessities

the rights detailed in Part III of the Constitution do

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the right to life of Human

comprehend all the human rights mentioned in the Indian

law in the elaborate provisions of the two related

the civil rights and the International

human rights. There is a narrow

area which remains still to be covered. Some of them are

the Directive Principles of State Policy

and Part IV is plainly indicated by Article 38(1). Article

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d political, should inform all the institutions of the Cl nla  
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a those principles in making laws. The Directive En r nw  
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py ns women, distribution of the ownership and control of the national

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39A speaks of free legal aid. Arti a

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Se in Part III and Part IV of the Constitution â\200\235 pe

t is not difficult to see why some hu i

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Te oy the human rights enumerated in Part IV of the Sl

in as irective Principles of State Policy.â\200\235â\200\235 While they are principles

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i which by their nature cannot be regarded as Sh

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id pe of the State, and therefore the need for State legislation. But in

ny &gt; i: observed by Humphrey, in the passage extracted earlier, the

a er resources called for in order to realise them and make th i

2 i aa be of an order making it impracticable even for the State

&gt; a th ose human rights â\200\230forthwith. This would be so especially in or

eal cloping countries, such as India. Therefore, economic and social ri he

oe Ce as \_programme rightsâ\200\231â\200\231, the implementation of which

g ia according to the resources of the State, the programme itself

58. By the policies and priorities set by the State. It is apparently for the first time that the human rights set out in Part IV of the Constitution have been declared to be not enforceable in Court. When the 42nd Amendment Act of 1976 was enacted, Article 48A was inserted in Part IV as a Directive Principle, and it reads:

The State shall endeavour to protect and improve and to safeguard the forests and wild life of the country.

Article 51A was added as Part IVA of the Constitution. It enlists the Fundamental Duties of Indian citizens, and the relevant clause reads:

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51A. It shall be the duty of every citizen of India . . . (f) to protect and improve the natural environment including forests, lakes, rivers and wildlife, and to have compassion

for living creatures.

The addition of these provisions in the Constitution was intended to highlight the importance attached by the State to environmental protection, and it emphasized its dominating significance in State policy. For some time before this, the claims of development had been assigned priority over environmental interests. It was believed that an inherent contradiction existed between economic development and environmental protection. But it was not long before this view was replaced by a more balanced approach in which compatibility, interdependence and mutual reinforcement were recognised between economic development and environmental protection. There was a surge of opinion in favour of strengthening existing mechanisms and programming further measures in support of environmental protection in the latter half of the nineteen-seventies, and when the Constitution (Forty-Second Amendment) Act 1976, was framed, care was also taken to transfer the entries relating to 'Forests' and 'Protection of wild animals and birds' from List II of the Seventh Schedule to the Constitution, which assigned exclusive law-making jurisdiction to the State Legislatures in respect of those subjects, to List III of the Schedule (the List of Concurrent subjects), so that now Parliament also had legislative power to enact laws in respect of those subjects. Significantly, a subject 'Population control and family planning' was also added to the Concurrent List. All this was necessary, because the conferment of legislative power on Parliament enabled the enactment of a uniform policy throughout India, and could provide under Parliamentary mandate for interaction and co-operation between individual States in environmental matters so as to make for more effective action. It is notorious that environmental problems and ecological movements do not respect political or administrative boundaries. And so what had once been left to the wisdom of individual States was now brought within the fold of all-India planning and controls.

We have seen the importance given in India to environmental protection. As the subject is incorporated in a Directive Principle, it has to be regarded as fundamental in the governance of the country. On the other side are the Fundamental Rights of a citizen, his civil and political rights, and the Constitution declares that any law which abridges a Fundamental Right is to be treated as void. The

task of the Court is to reconcile the individual interest with environmental interests. Very few individual human rights can be regarded as absolute rights. Most of them must be regarded as open to curtailment by considerations pertinent to the general good. This is more so in a welfare State. It is settled law that if an

individual comes to Court claiming that his fundamental right has been infringed by State action, it will be open to the State to rely upon a relevant Directive Principle in defence, and to urge that what has been done by the State is in furtherance of the larger social interest embodied in the Directive Principle. In *State of Bombay v Balsara* (1951) SCR 628, and again in *Patharmura v State of Kerala*, AIR (1978) SC 771, the Supreme Court laid down that restrictions imposed

\* by State action on the exercise of a citizen's Fundamental Right, mentioned in clause (1) of Article 19, and which are imposed for securing any of the objects enjoined by the Directive Principles, may be regarded as reasonable restrictions within the meaning of the limiting criteria contained in clause (2) to (6) of Article

19. And so, it appears that when there is a conflict between a citizen's Fundamental Right to carry on his business or trade and the interests of environmental protection, the courts have leaned in favour of the latter. In *Ambica Quarry*

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Frorks v State of Gujarat (decided on 11 December 1986), the Supreme Court  
oe called upon to resolve the conflict between a petitionerâ\200\231s claim to the rene  
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0 2 quarrying lease under the Gujarat Minor Mineral Rules, 1966 and the

pro ibition contained in the subsequently enacted Forest (Conservation) Act, 1980

i quarrying operations in a â\200\230â\200\230reservedâ\200\231â\200\231 forest. Observ  
ing that the preservation  
ne a of the environment represented a larger social

rest, the ourt held that the lawâ\200\231s obligation to societ i

obligation to an individual. : a

: a cases where it is possible to reconcile the competing claims of an

indivi ualâ\200\231s Fundamental Right and of environmental protection, the Court is

required to determine the point of balance, as precisely as it may, at which the  
reconciliation may be effected, and to pass an order balancing the conflicting

a In performing this duty, the Court will pay due regard to

the ane that while environmental interests may be advanced or protected

at the expense of a Fundamental Right, they may be advanced or protected no  
further than is warranted by the necessities of the case.

Sond the Supreme Court of India is seized of a large number of cases in

5 the plea of environmental protection arises for consideration, and in many

of \$7 penis reliance has been placed on legislation giving effect to the principle

on bo ie in\_Article 48A of the Constitution. They include cases such as M C

| ferg Vv ipa of India, where the Court has been called upon to enforce the

z ints of the Water (Prevention and Control of Pollution) Act 1974, and the

En Act 1986, for the purpose of preventing the pollution of

; e Ganges river by the uncontrolled and untreated effluent discharged by leather

WE oo on Be banks of the riv, rl J int\_ Action Committee, Faridabad v

aryana where public complaint-Â\$ made of inui i

| continuing environmental

a ash produced by the Haryana State Electricity

: ard\_outside the plant in a manne endangering the health and life of the

oo nts in surrounding villages, en Bandhi Virodhi Sangharsh Samiti v

Tog Loin el ns challenging the validity of the Tehri High Dam Project on

: hat asthe project is located in a highly seismic zone, where m

active major and njino} faults exist alon i Bre i

long the river, there is danger of logi

destruction and massive devastation and a

tion and loss of life among the entire i

structure : population

in the area, the /ukti Sangharsh Movement v State of India where

{Dy petitioners sought an injunction against the commercial extraction of Sand from  
the river bed leading to the "desertification" of about 1000 hi

in the "desertified" area of about 1000

in the valley and the irreversible destruction of the existing

ecological balance and its adverse effect on 74,000 villagers living in the area

These are only illustrative cases and a large number of others are still  
pending in

and a writ is being brought to Court by social action groups or

conscious citizens who have joined in seeking help ;

Court in the interests of environmental protection and for safeguarding

ecology. It is said that India has the most

varied and the strongest

environmental organisations in the world.

They have

been successful in the developing world. They have

been successful in the

past standing by a number of recent decisions of the Supreme Court

in *SP. Sengupta v Union of India*, AIR (1982) SC 149. In most

cases, petitioners seek the enforcement of statutory provisions

and are cases of inaction on the part of the : an illegal

statutory authorities

the petitioners would be entitled

to an order from the Court

requiring the

authorities to discharge their statutory responsibilities. Where a writ

is granted

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no law on the subject it will be a question for consideration by the SE

in the guise of affirmative action, can embark on a programme - law and

protection and enter into the area of law-making. The Court has done so in

cases, assuming an "activist" role, provoked no doubt by the ordinary

executive action or of the requisite legislation. The role of the judiciary

can at best be of temporary duration, for ultimately it is the Legislature ;

the Legislature or of the Government to frame policies and provide

on a permanent basis. ;

But a volume of legislation in India on environmental

protection and improvement. This includes both Central and State laws

regard to the prevention and control of pollution of water and air. The PE

Environment (Protection) Act 1986, the latest In the long line of environmental sta

to entrusts the Central Government with all encompassing powers to

and reduce environmental pollution. The Act attempts to effectuate the privy

agreed at the Stockholm Conference insofar as they relate to the pre-1950

improvement of the environment and the prevention of hazards to human and other living creatures, plants and property. It is India's first Bill dealing with the protection of the environment in its entirety. Under the Act, the Central Government has the power to take all measures deemed necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution, ensuring co-ordination of action by State Governments or other concerned authorities under the Act. :

The environmental network in India is the result of a series of Plans prepared by the Planning Commission of India. It was the Fourth Five Year Plan (1969-74) which for the first time articulated the need for environmental considerations into economic development planning, and the Sixth Five Year Plan (1973-78) acknowledged the interdependence of living things and the environment. Planning for harmonious development recognises this unity of Nature and Man. Environmental planning is possible only on the basis of a comprehensive appraisal of environmental issues, particularly economic and ecological. . . . It is particularly important at long term basic considerations should prevail over short-term commercial aims and that social costs and benefits be used as the yardstick rather than private gains and environmental policies.

To bring about greater coherence and co-ordination in environmental policies and programmes, a National Committee on Environmental Planning was set up in 1972. Co-ordination was established in 1972. The Sixth Five Year Plan (1973-78) saw the creation of the Department of Environment on 1 November 1986 under the direct charge of the Prime Minister, with the National Committee on Environment Planning functioning under it. The functions of the Department of Environment include the environmental appraisal of development projects, direct administrative responsibility for the pollution monitoring and regulation, conservation of biosphere reserves and conservation of marine ecosystems. So far as the environment is concerned, it is permissible to make a brief reference to the perspective held in Indian society from the earliest times. The awareness of environmental values was intimately integrated in the total consciousness of India's classical culture, religious attitudes and ancient

values. There was always a strong respect and reverence for life in all its forms, and from the earliest times religious belief and philosophical perspectives in India as well as legends, songs and social mores were inspired by an intimate relationship with Nature. The listed acts of piety to be performed by king or commoner gave



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now: The earth does not belong to man; man belongs to the earth. Thi

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By connected like blood which unites one family. All things

. are

Whatever befalls the ear befa d

th lls the sons of the earth. Man did not weave the web

of life, he is merely a strand in it. Whatever he does to the web he does to himself.

Challenge to the rule of law in

Micronesia: Palau

A summary of the main points of the report of the mission to the Republic

of Micronesia, Palau and the Marshall Islands  
to Palau, Micronesia, Internal Commission of Justice.  
Annex [

to the Rule of Law in Micronesia\200\231  
of Micronesia\200\235, Report of a Mission, National  
Conference of Jurists (ICJ), Established by the  
Secretary of the rule of law and respect for human : a  
rights and the

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independence of the judiciary. It has been supported for many years by annual  
subventions by a number of Commonwealth governments. There are up to 40  
Commissioners, most of them senior judges, from all regions of the world.

In January 1988, a mission was sent by the ICJ to the Republic of Palau in  
Micronesia, for the purpose of investigating complaints about threats to the rule  
of law and interference in the independence of the judiciary. The mission was  
made up by Justice Kirby (Australia), Mr William Butler (USA), Chairman of  
the Executive Committee of the ICJ and Judge George Edwards of the United  
States Court of Appeals for the Sixth Circuit. In late April 1988, the report of  
the mission was published in New York. This note summarises its main points.

Palau is a group of islands on the western perimeter of Micronesia, not far  
from the Philippines. After successive periods of Spanish, German and Japanese  
colonial rule, Palau came under the authority of the United States of America in  
the island hopping\200\235

September 1944. It was occupied at that time as part of the  
policy for the defeat of Japan. In 1947, a trusteeship agreement was entered by  
the United States of America and the Security Council of the United Nations, to  
include Palau. By 1980, the relevant trust territory had been divided into four  
political entities, one of which was Palau. Palau still has strategic importance in  
the Pacific. Reports that it is under consideration by the United States as an  
alternative site for naval bases presently in the Philippines have been denied.

In April 1979, a constitutional convention in Palau adopted a federal consti-  
tution. Following concern expressed about the fate of the Micronesian people of  
Bikini, the proposed constitution included a limitation on the use, testing, storage  
or disposal in Palauan territory of harmful substances such as nuclear, chemical,  
gas or biological weapons\200\231\200\231. This constitution was approved at referend-  
um by 92

per cent of the population of Palau. However, the new constitution was opposed  
by the United States which was concerned that it might cut across the policy of  
that country not to admit or deny the existence of nuclear materials on its naval  
vessels. The High Court of the Trust Territory set aside the constitutional  
referendum on a technical point. A new draft constitution was then submitted in  
October 1979 omitting the harmful nuclear clause\200\231. However, this constitution was  
rejected by 70 per cent of the people. In July 1980, by a third referendum, the  
original constitution was reaffirmed. It contains in Article XIII, s. 6 a prohibition  
on the use, testing, storage or disposal within Palau of (relevantly) nuclear weapons  
without the express approval of not less than three-fourths of the votes cast in a  
referendum submitted on that specific question.

Following the adoption of the new constitution, negotiations took place between

the government of Palau and the government of the United States, which remains the Administering Power under the trusteeship. The purpose was to establish the post trusteeship relationship between the two countries. Under Article 76 of the United Nations Charter, the Trustee has a duty to advance the progressive development of the trust territory towards self government or independence in compliance with the freely expressed wishes of the peoples concerned in parts of the former trust territory have moved towards the status of independent republics. So-called Compacts of Free Association with the United States have been entered by the Federal States of Micronesia and the Marshall Islands. Other islands in the former trust territory have opted for, or moved towards, Commonwealth status (the Northern Marianas and Guam). The compacts all give the United States rights to use the territory concerned for military purposes. A full history of the constitutional developments of Micronesia is beyond the scope of this note. A useful summary is contained in (1987) 81 American Journal

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be established for the phased extension of legislation and minimum standards from area to area.

5. The State may collaborate with non-governmental organisations and the private sector in achieving these goals, and may impose appropriate

responsibilities on all social and economic bodies with a view to their materialisation.

. In circumstances where persons are unable

through lack of means to avail themselves of facilities provided by the State, the State shall, wherever it is reasonable to do so, give appropriate assistance.

#### Freedom from Hunger

7. In order to guarantee the right of freedom from hunger, the State shall ensure the introduction of minimum standards of nutrition throughout the country, with special emphasis on pre-school and school feeding.

#### The Right to Shelter

8. In order to guarantee the right to shelter, the State shall, in collaboration with private bodies where appropriate, dismantle compounds, single-sex

hostels and other forms of accommodation associated with the migrant labour system, and embark upon and encourage an extensive programme of house-building.

9. The State shall take steps to ensure that energy, access to clean water and appropriate sewage and waste disposal are available to every home.

10. No eviction from homes or from land shall take place without the order of a competent court, which shall have regard to the availability of alternative accommodation.

#### The Right to Education

10. In order to guarantee the right to education, the State shall, in collaboration with non-governmental and private educational institutions where appropriate, ensure that:

there shall be free and compulsory primary education for all, with a school-leaving age of sixteen,

there shall be progressive expansion of access by all children as a right to secondary education,

there shall be progressive increase in access to pre-school institutions and institutes of vocational training and of higher learning,

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